

SB 204-FN - AS INTRODUCED

2015 SESSION

15-0933
04/10

SENATE BILL **204-FN**

AN ACT repealing the education tax credit program.

SPONSORS: Sen. Woodburn, Dist 1; Sen. Kelly, Dist 10; Sen. Watters, Dist 4; Sen. Soucy,
Dist 18; Rep. Ford, Graf 3; Rep. Rosenwald, Hills 30; Rep. Porter, Hills 1;
Rep. Wallner, Merr 10

COMMITTEE: Education

ANALYSIS

This bill repeals the education tax credit program.

Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT repealing the education tax credit program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Tax Expenditure and Potential Liability Reports; Tax Expenditures Specified. Amend
2 RSA 71-C:2 to read as follows:

3 71-C:2 Tax Expenditures Specified. Tax expenditures include, but may not be limited to, the
4 community development finance authority investment tax credit as computed in RSA 162-L:10; the
5 economic revitalization zone tax credit as computed in RSA 162-N:6; the research and development
6 tax credit under RSA 77-A:5, XIII; the Coos county job creation tax credit under RSA 77-E:3-c; ~~the~~
7 ~~education tax credit as computed in RSA 77-G:4;~~ and the weighted apportionment factors under
8 RSA 77-A:3, II(a).

9 2 Tax Expenditure and Potential Liability Reports. Amend RSA 71-C:4, I-II to read as follows:

10 I. On or before December 15 of every fiscal year the commissioner of the department of
11 revenue administration shall certify in a report to the general court and the governor an analysis of
12 each of the past fiscal year's tax expenditures as identified in RSA 71-C:2, and other credits allowed
13 under RSA 77, RSA 77-A, RSA 77-E, ~~[RSA 77-G,]~~ RSA 78, RSA 78-A, 78-B, RSA 82-A, RSA 83-E,
14 RSA 84-A, RSA 84-C, and RSA 400-A.

15 II. The report shall be divided into the following parts:

16 (a) Tax expenditures as determined by the joint committee on tax expenditure review
17 under RSA 71-C:3;

18 (b) Potential liabilities against the state's revenues, specifically:

19 (1) Other credits allowed under RSA 77, RSA 77-A, RSA 77-E, ~~[RSA 77-G,]~~ RSA 78,
20 RSA 78-A, RSA 78-B, RSA 82, RSA 82-A, RSA 83-E, RSA 84-A, RSA 84-C, and RSA 400-A against
21 the business profits tax imposed by RSA 77-A; and

22 (2) Credit carryovers from overpaid taxes.

23 3 Repeal. The following are repealed:

24 I. RSA 77-A:5, XV, relative to the education tax credit against the business profits tax.

25 II. RSA 77-E:3-d, relative to the education tax credit against the business enterprise tax.

26 III. RSA 77-G, relative to education tax credit.

27 4 Effective Date. This act shall take effect upon its passage.

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SB 204-FN - FISCAL NOTE

AN ACT repealing the education tax credit program.

FISCAL IMPACT:

The Department of Revenue Administration states this bill, **as introduced**, may increase state general and education trust fund revenue by \$49,725 in FY 2015, and by an indeterminable amount in FY 2016 and each year thereafter. There will be no impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration states this bill repeals the education tax credit and the sections relative to the credit usage under the Business Profits Tax (BPT) and Business Enterprise Tax (BET). The Department states \$49,725 in education tax credit was awarded by the scholarship organization on December 1, 2014. If this bill passes and the credit is repealed prior to the filing of business tax returns in March or April of 2015, tax credits issued could not be used, and thus there would not be a reduction in revenue of \$49,725 in FY 2015. The maximum possible credit that could be issued in FY 2016 would be \$5,100,000, and this amount could increase in FY 2017 and each year thereafter if certain education tax credit program goals are achieved. The exact fiscal impact cannot be determined at this time.