

CHAPTER 189
HB 1221-FN - FINAL VERSION

17Mar2022... 0471h
04/21/2022 1528s
05/05/2022 1840s
26May2022... 2050CofC

2022 SESSION

22-2291
10/05

HOUSE BILL ***1221-FN***

AN ACT relative to the rate of the business profits tax, and relative to payment by the state to political subdivisions of an amount equal to a portion of retirement system contributions of political subdivision employers.

SPONSORS: Rep. Notter, Hills. 21; Rep. Turcotte, Straf. 4; Rep. Osborne, Rock. 4; Rep. Abramson, Rock. 37; Rep. Mooney, Hills. 21; Rep. Hobson, Rock. 35; Rep. Potucek, Rock. 6; Rep. Healey, Hills. 21

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill reduces the rate of the business profits tax for tax years ending on or after December 31, 2023. This bill also provides for a one-time payment by the state of an amount equal to 7.5 percent of required political subdivision employer contributions made to the state retirement system for group I teachers and group II members.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to the rate of the business profits tax, and relative to payment by the state to political subdivisions of an amount equal to a portion of retirement system contributions of political subdivision employers.

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

1 189:1 New Paragraph; Business Profits Tax; Imposition of Rate; Rate Reduced 2023. Amend RSA
2 77-A:2 by inserting after paragraph II the following new paragraph:

3 III. For all taxable periods ending on or after December 31, 2023, a tax is imposed at the rate of
4 7.5 percent upon the taxable business profits of every business organization.

5 189:2 Short Title. Section 4 of this act may be known as the "Property Tax Relief Act of 2022."

6 189:3 Legislative Findings.

7 I. New Hampshire's working families and small businesses are struggling with a 40-year high
8 inflation rate that has had a devastating impact on the price of gasoline, home heating, and food resulting
9 from policies adopted in Washington, D.C. since January 2021.

10 II. Prior to January of 2021, the price of gasoline was approximately half of what it is today and
11 now has steadily risen over the past 15 months.

12 III. Because of sound budget policies that controlled spending and made New Hampshire's
13 business tax climate more competitive, state revenues are currently \$252 million above budget
14 projections, enabling the legislature to share the state's projected budget surplus with cities and towns in
15 order to lower local property taxes.

16 189:4 Local Property Tax Reduction. A one-time appropriation of state surplus funds is hereby
17 granted to each political subdivision of the state in accordance with section 5 of this act. It is the intent of
18 the legislature that this will result in a one-time reduction in local property taxes without increasing state or
19 local baseline spending.

20 189:5 Retirement System Costs; State Funding; Appropriation. For the state fiscal year ending June
21 30, 2023, the state shall pay to each political subdivision an amount equal to 7.5 percent of both the
22 normal and accrued liability contributions of each political subdivision for benefits under the retirement
23 system on account of its group II members and group I teacher members. The board of trustees of the
24 retirement system shall certify the amount required for each such state payment based on actual payroll
25 data from the fiscal year ending June 30, 2022, and the total amount of the state grants, to the treasurer.
26 The governor is authorized to draw a warrant for the total sum of these one-time grants out of any money
27 in the treasury not otherwise appropriated.

28 189:6 Repeal. RSA 100-A:16, II(c-1) relative to employer contributions for fiscal year 2012, is
29 repealed.

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- 1 189:7 Effective Date.
- 2 I. Section 1 of this act shall take effect upon its passage.
- 3 II. The remainder of this act shall take effect July 1, 2022.

Approved: June 17, 2022

Effective Date:

I. Section 1 effective June 17, 2022

II. Remainder effective July 1, 2022

