

Amendment to HB 102

1 Amend the title of the bill by replacing it with the following:

2
3 AN ACT establishing a commission to study worldwide combined reporting method for unitary
4 businesses under the business profits tax.
5

6 Amend the bill by replacing all after the enacting clause with the following:

7
8 1 Findings. The general court finds that New Hampshire has a unique tax structure. With no
9 general sales or income tax and no severance tax on natural resources, New Hampshire relies on its
10 business profits tax more than any other state and most countries. In 1981, the business profits tax
11 law was amended to allow the department of revenue administration or taxpayers to employ the
12 combined reporting method of taxation under the unitary business principle.

13 2 Commission on Worldwide Combined Reporting for Unitary Businesses under the Business
14 Profits Tax. Amend RSA 77-A by inserting after section 23-a the following new section:

15 77-A:23-b Commission on Worldwide Combined Reporting for Unitary Businesses under the
16 Business Profits Tax. There is established a commission to study the replacement of the water's
17 edge method by the worldwide combined reporting method for reporting and apportionment of
18 income under the business profits tax.

19 I. The members of the commission shall be as follows:

20 (a) Three members of the house of representatives, who shall be from the ways and
21 means committee, appointed by the speaker of the house of representatives.

22 (b) Two members of the senate, appointed by the president of the senate.

23 (c) Three members of the state's business community, one representing in-state
24 domesticated businesses with less than 100 employees, one representing in-state domesticated
25 businesses with more than 100 employees, and one representing out-of-state or foreign domesticated
26 businesses, appointed by the president of the New Hampshire Business and Industry Association.

27 (d) The president of the New Hampshire Society of Certified Public Accountants, or
28 designee.

29 (e) The commissioner of the department of revenue administration, or designee.

30 (f) The commissioner of the department of business and economic affairs, or designee.

31 (g) The attorney general, or designee.

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1 (h) An attorney expert in transnational and New Hampshire business profit tax
2 accounting issues, appointed by the president of the New Hampshire Bar Association.

3 II. Legislative members of the commission shall receive mileage at the legislative rate when
4 attending to the duties of the commission.

5 III. The commission shall study the advantages and disadvantages for the state's economy
6 and revenues of replacement of the current water's edge method by the worldwide combined
7 reporting method for reporting and apportionment of income under the business profits tax. It shall
8 consult with national experts in both methods, including economists, business associations, and tax
9 experts.

10 IV. The members of the commission shall elect a chairperson from among the members. The
11 first meeting shall be called by the first-named house member. The first meeting of the commission
12 shall be held within 45 days of the effective date of this section. Six members of the commission
13 shall constitute a quorum.

14 V. The commission shall report its preliminary findings on or before November 1, 2022 and
15 issue a final report of its findings and any recommendations for proposed legislation on or before
16 November 1, 2023, to the president of the senate, the speaker of the house of representatives, the
17 senate clerk, the house clerk, the governor, and the state library.

18 3 Repeal. RSA 77-A:23-b, relative to the commission on worldwide combined reporting for
19 unitary businesses under the business profits tax, is repealed.

20 4 Effective Date.

21 I. Section 3 of this act shall take effect November 1, 2023.

22 II. The remainder of this act shall take effect upon its passage.

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AMENDED ANALYSIS

This bill establishes a commission to study worldwide combined reporting method for unitary businesses under the business profits tax.