

NH Society of CPAs Legislative Report
December 11, 2019

The Holidays are here and the legislature is celebrating the end of 2019 and preparing for 2020. It will be a shorter legislative session in 2020 as it is an election year. The members of the legislature want to be finished and campaigning by the beginning of June. So expect speed. The House and Senate filing periods for titles of bills are closed. To date there have been 804 titles filed. Language for bills is out and we are reviewing all bills for 2020 before the legislature convenes on January 8th.

What looks interesting for CPAs?

- CACR 17 provides that a new state broad-based tax may only be enacted to reduce property taxes;
- HB 1160 enables a municipality to collect an occupancy fee from room rentals for the purpose of establishing a municipal capital fund, revolving fund, or tourism support fund;
- HB 1248 enables municipalities to offer community revitalization tax incentives for the construction of additional housing in designated areas;
- HB 1474 establishes a deduction from the gross business profits under the BPT for income invested in an Opportunity Zone located in NH as established under the Tax Cuts and Jobs Act;
- HB 1567 repeals the water's edge combined group provisions of the BPT;
- LSR 2771 will be related to income tax on interest and dividends, however, the language is not out yet.

Bills that were retained from the 2019 session and will be voted on in early January:

House:

- HB 653 – rooms and meals tax for short term room rentals has been voted ITL (kill) by the House Ways and Means Committee but the same language has been added to HB 274;
- HB 686 – funding an adequate education with a 5% capital gains tax has been voted ITL by the House Ways and Means Committee;
- HB 117 increasing Interest and Dividends exemption and decreasing the R&D credits against the BPT and BET has been voted Interim Study (dead) by the House Ways and Means Committee;
- HB 623 establishes 7.9% BPT and 0.675% BET rates for taxable periods ending on or after December 31, 2019 has been voted ITL by the House Ways and Means Committee;

- Wayfair bills (HB 114, HB 265, HB 416, HB 698) –have all been unanimously voted ITL by the House Ways and Means Committee as the language dealing with sales taxation by other jurisdictions was dealt with in HB4, the budget, in September.

Senate:

- SB 223 increasing the minimum gross business income required to file BPT has been amended to raise the minimum to \$75,000 from the current \$50,000. If passed by the full Senate in January, the bill will proceed to the House;

Although the Society did not introduce any legislation for the upcoming 2020 session, the ongoing public policy debates over business taxes will keep things very interesting. Stay tuned

Enjoy the holidays.