REGULAR CALENDAR

September 17, 2024

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred HB 100-FN-A,

AN ACT to repeal the interest and dividends tax.

Having considered the same, report the same: NOT RECOMMENDED FOR FUTURE LEGISLATION.

Rep. Fred Doucette

FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

Committee:	**Ways and Means**
Bill Number:	**HB 100-FN-A**
Title:	**to repeal the interest and dividends tax.**
Date:	**September 17, 2024**
Consent Calendar:	**REGULAR**
Recommendation:	**NOT RECOMMENDED FOR FUTURE LEGISLATION**

STATEMENT OF INTENT

The committee was unanimous in no need for further legislation as this has been addressed in another legislative action.

Vote 20-0.

Rep. Fred Doucette
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Ways and Means

HB 100-FN-A, to repeal the interest and dividends tax.**NOT RECOMMENDED FOR FUTURE LEGISLATION .**

Rep. Fred Doucette for Ways and Means. The committee was unanimous in no need for further legislation as this has been addressed in another legislative action.

Vote 20-0.

Original: House Clerk

Cc: Committee Bill File

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 100-FN-A

BILL TITLE: to repeal the interest and dividends tax.

DATE: September 17, 2024

LOB ROOM: 202-204

MOTION:

Interim Study (2nd yr) Not Recommended for Future Legislation

Moved by Rep. Doucette Seconded by Rep. Almy Vote: 20-0

Respectfully submitted,

Rep Fred Plett, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

9/16/2024 2:05:42 PM
Roll Call Committee Registers Report

2024 SESSION

Ways and Means

Bill #: HB 1617-FN-A **Motion:** Ought to pass as recommended **AM #:** _____ **Exec Session Date:** 9/17/2024

Members	YEAS	Nays	NV
Janigian, John C. Chairman	Y		
Ulery, Jordan G.	Y		
~~Sanborn, Laurie J.~~ Gagne Larry	Y		
Doucette, Fred G. Vice Chairman	Y		
Spilsbury, Walter	Y		
Plett, Fred R. Clerk	Y		
Soti, Julius F.	Y		
Aures, Cyril Nicholas	Y		
~~Rochefort, David~~ Mewin, Charles	Y		
Almy, Susan W.	Y		
Ames, Richard	Y		
Southworth, Thomas L.	Y		
Malloy, Dennis J.	Y		
Schamberg, Thomas C.	Y		
Fellows, Sallie D.	Y		
Bolton, Bill R	Y		
Elberger, Susan A	Y		
~~Leapley, Nicole M~~ Halbert-Phelps Mary	Y		
Smith, Geoffrey	Y		
TOTAL VOTE:	20	0	1

Rights, Sam 9

CONSENT CALENDAR

September 19, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred HB 100-FN-A,

AN ACT to repeal the interest and dividends tax.

Having considered the same, report the same with the recommendation that the bill be REFERRED FOR INTERIM STUDY.

Rep. Walter Spilsbury

FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

Committee:	**Ways and Means**
Bill Number:	**HB 100-FN-A**
Title:	**to repeal the interest and dividends tax.**
Date:	**September 19, 2023**
Consent Calendar:	**CONSENT**
Recommendation:	**REFER FOR INTERIM STUDY**

STATEMENT OF INTENT

This bill proposes to change the effective date of the repeal of the interest and dividends tax to January 1, 2024. Effectively, this bill is moot, as the phase-out of the interest and dividends tax that had been adopted in the 2021 budget bills has already been accelerated in this session's HB 2, enacted in June, 2023. The committee recommends Interim Study so that it can retain jurisdiction over the subject while monitoring the impact on revenues of the recent changes.

Vote 20-0.

Rep. Walter Spilsbury
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Ways and Means

HB 100-FN-A, to repeal the interest and dividends tax. **REFER FOR INTERIM STUDY.**

Rep. Walter Spilsbury for Ways and Means. This bill proposes to change the effective date of the repeal of the interest and dividends tax to January 1, 2024. Effectively, this bill is moot, as the phase-out of the interest and dividends tax that had been adopted in the 2021 budget bills has already been accelerated in this session's HB 2, enacted in June, 2023. The committee recommends Interim Study so that it can retain jurisdiction over the subject while monitoring the impact on revenues of the recent changes. **Vote 20-0.**

Original: House Clerk
Cc: Committee Bill File

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 100-FN-A

BILL TITLE: to repeal the interest and dividends tax.

DATE: September 19, 2023

LOB ROOM: 202-204

MOTIONS: REFER FOR INTERIM STUDY

Moved by Rep. Spilsbury Seconded by Rep. Plett Vote: 20-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Fred Plett, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2023 9:55:04 AM
Roll Call Committee Registers Report

2023 SESSION

Ways and Means

Bill #: HB 1-FN **Motion:** IS **AM #:** _____ **Exec Session Date:** 9/19/23

Members	YEAS	Nays	NV
~~Sanborn, Laurie J.~~ Chairman Smith, Steve	2		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	3		
Doucette, Fred G.	4		
Spilsbury, Walter	5		
Plett, Fred R. Clerk	6		
~~Hynes, Dan~~ Schamberg, Rick	7		
Soti, Julius F.	8		
Aures, Cyril Nicholas	9		
~~Rochefort, David~~ ~~Hynes, Dan~~ Steve Team	10		
Almy, Susan W.	11		
Ames, Richard	12		
Southworth, Thomas L.	13		
Malloy, Dennis J.	14		
Schamberg, Thomas C.	15		
Fellows, Sallie D.	16		
Bolton, Bill R	17		
Elberger, Susan A	18		
Leapley, Nicole M	19		
Smith, Geoffrey	20		
TOTAL VOTE:	20	0	

HOUSE COMMITTEE ON Ways and Means

BILL NUMBER: **HB 100-FN-A**

BILL TITLE: **to repeal the interest and dividends tax.**

DATE: **March 8, 2023**

THE COMMITEE HAS VOTED TO RETAIN THIS BILL.

Rep. L. Sanborn, Chair

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 100-FN-A

BILL TITLE: to repeal the interest and dividends tax.

DATE: March 8, 2023

LOB ROOM: 202-204

MOTIONS: RETAINED

Moved by Rep. Janigian Seconded by Rep. Almy Vote: 20-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Fred Plett, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

2023 SESSION

1/10/2023 9:55:04 AM
Roll Call Committee Registers Report

Ways and Means

Bill #: 100-FN-A **Motion:** Retain **AM #:** _____ **Exec Session Date:** 3/8/23

Members	YEAS	Nays	NV
Sanborn, Laurie J. Chairman	20		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	2		
Doucette, Fred G.	3		
~~Spilsbury, Walter~~ Murray, Troy	4		
Plett, Fred R. Clerk	5		
~~Hynes, Dan~~ Wallner, Jeannine	6		
Soti, Julius F.	7		
Aures, Cyril Nicholas	6		
Rochefort, David	9		
Almy, Susan W.	10		
Ames, Richard	11		
Southworth, Thomas L.	12		
~~Malloy, Dennis J.~~ Manzi, Latsha	13		
Schamberg, Thomas C.	14		
Fellows, Sallie D.	15		
Bolton, Bill R	16		
Elberger, Susan A	17		
Leapley, Nicole M	16		
Smith, Geoffrey	19		
TOTAL VOTE:	20	0	

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 100-FN-A

BILL TITLE: **to repeal the interest and dividends tax.**

DATE: **January 24, 2023**

LOB ROOM: **202-204** **Time Public Hearing Called to Order:** **2:00 p.m.**

Time Adjourned: **3:06 p.m.**

Committee Members: Reps. L. Sanborn, Janigian, Plett, Ulery, Doucette, Spilsbury, Soti, Aures, Rochefort, Almy, Ames, Malloy, Schamberg, Bolton, Leapley and G. Smith

Bill Sponsors:

Rep. Janigian	**Rep. Osborne**	**Rep. Weyler**
Rep. L. Sanborn	**Rep. Doucette**	**Rep. Harley**
Sen. Abbas		

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

*Rep. Janigian, Prime Sponsor – Salem. HB100 – already have phaseout, this bill accelerates to 2024. NH only one left with an asterisk. We want to stop out-migration of wealthy families out of state. Eliminating will lead to higher BPT. People will migrate to states with lower taxes. Rep. Fellows – who pays taxes? He tried to answer. Rep. Almy – difficult area. Demographer stated more lower income than higher income level leaving state. Rep. Aures – DRA could give us a better example. Who would give us this type of estimate? DRA but very hard to put together s dynamic model.

Honorable Patrick Abrami, Rep. Dan McGuire – Granite State taxpayers. Ov1erwhelmingy support HB100. An S company in MA would have to pay 5% tax on distributions, NH claiming it is interest. Bond agencies love this broad base of tax. Good run for revenues last 2 years. This YTD up $236 million in all taxes. Impact of single sales factor. Rep. McGuire – We have a long maintained I&D economically destructive. Consumption taxes not so destructive. I&D is direct tax on investment & savings. Human happiness is having a better tomorrow than today. If there is any one tax you should cut this year, this is it. Rep. Almy – we come out of recessions faster than other states? Our taxes structured, we don't get impacted by recessions as much as other states because we don't have dominant employers. Rep. Schaumburg – When you have an LLC what taxes do you pay? Distributions come under this tax? Rep. Leafley – Implication that we had to pay taxes in MA and NH? Yes.

Jeanne Dietsch – Opposed to 100. This puts emphasis on wrong direction. Support Honorable Abrami statement to wait to see impact. We are not looking at real facts. Need to look at both sides. Ballooning stock prices pushing more money to wealthy, buying stocks making prices go up.

Katherine Laughead, Tax Foundation – Phaseout started last year. This tax is unstable. It is one of the most unfavorable taxes. Rochefort – NH would rank 7th instead of 9th – who is highest. Wyoming and South Dakota.

Greg Moore – Americans for Prosperity. All of what I was to say has already been said. Will Smith is one who moved due to I&D tax. Was angel investment group, not anymore. Lost a big donor who moved to TN due to this tax. Beacon Center in TN on TN Hall income tax – great research. Federal policy on SALT deduction. That has impacted other states.

Dennis Hull – Americans for Tax Reform. Double tax – as business income tax, and again by individuals as dividends tax.

*DRA – Lauren O'Sullivan and Keen Wong – handed out fiscal note. Schamburg – NH taxes on entity level. Will pay BPT and BET in NH. Almy – LLCs are exempt unless not represented by transferrable shares. Rep. Aures – wasn't great recession in 2008? Wouldn't we better to start there?

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB 100-FN-A Date: 1/24/23

Committee: Ways and Means

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
RUTH HEATH	49 WYMAN RD CANTERBURY	603-724-4343	self		X
Seanine Notter		Hills 12		✓	
Rep JESS EDWARDS	ROCK 31			X	
Rep Kate Peternel	Carroll 6			X	
Rep JR Hoell	Mers 27			X	
Rep DANIEL POPOVICI-MULLER		603 267 4142	ROCKINGHAM 17	X	
Rep Granger			Strafford 2	X	

House Remote Testify

Ways and Means Committee Testify List for Bill HB100 on 2023-01-24

Support: 21 Oppose: 56 Neutral: 0 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane
Holstein, Susanne	Bedford, NH srholstein@comcast.net	A Member of the Public	Myself	Oppose	No	No
Garland, Ann	LEBANON, NH annhgarland@gmail.com	A Member of the Public	Myself	Oppose	No	No
Hackmann, Kent	Andover, NH hackmann@uidaho.edu	A Member of the Public	Myself	Oppose	No	No
Berrio, Simon	Holderness, NH quahog319@gmail.com	A Member of the Public	Myself	Support	No	No
Aron, Judy	South Acworth, NH judy.aron@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Larson, Ruth	Alton, NH ruthlarson@msn.com	A Member of the Public	Myself	Oppose	No	No
Damon, Claudia	Concord, NH cordsdamon@gmail.com	A Member of the Public	Myself	Oppose	No	No
Brennan, Arthur	Weare, NH arete201314@gmail.com	A Member of the Public	Myself	Oppose	No	No
Brennan, Nancy	Weare, NH burningnan14@gmail.com	A Member of the Public	Myself	Oppose	No	No
Taylor, Gale	Concord, NH galeforcefacilitators@gmail.com	A Member of the Public	Myself	Oppose	No	No
Casino, Joanne	Concord, NH joannecasino@comcast.net	A Member of the Public	Myself	Oppose	No	No
Coon, Kate	Peterborough, NH kate2coon@gmail.com	A Member of the Public	Myself	Oppose	No	No
Creem, Jeffrey	Nashua, NH jeff@thecreems.com	A Member of the Public	Myself	Support	No	No
Reed, Barbara	North Swanzey, NH BDReed74@gmail.com	A Member of the Public	Myself	Oppose	No	No
Straiton, Marie	Pembroke, NH m.straiton@comcast.net	A Member of the Public	Myself	Oppose	No	No
Satterfield, Peter	Pembroke, NH psatterfield@comcast.net	A Member of the Public	Myself	Oppose	No	No
Jones, Andrew	Pembroke, NH arj11718@yahoo.com	A Member of the Public	Myself	Oppose	No	No
Devore, Gary	Pembroke, NH torin_asheron@yahoo.com	A Member of the Public	Myself	Oppose	No	No
Carty, Laura	Seabrook, NH currierlaura1@gmail.com	A Member of the Public	Myself	Oppose	No	No
Willing, Maura	Concord, NH Maura.Willing@Comcast.net	A Member of the Public	Myself	Oppose	No	No
Medeiros, Jesse	Plainfield, NH bgtrck458@gmail.com	A Member of the Public	Myself	Support	No	No
Warner, Garvin	Windham, NH garvowarner@gmail.com	A Member of the Public	Myself	Oppose	No	No

Liberman, Sheryl	Merrimack, NH saml54@comcast.net	A Member of the Public	Myself	Oppose	No	No
Weber, Jill	Mont Vernon, NH jill@frajilfarms.com	A Member of the Public	Myself	Oppose	No	No
Lindpaintner, Lyn	Concord, NH lynlin@bluewin.ch	A Member of the Public	Myself	Oppose	No	No
Karney, Stephen	Amherst, NH stephenakarney@gmail.com	A Member of the Public	Myself	Support	No	No
Rettew, Ann	Concord, NH abrettew@gmail.com	A Member of the Public	Myself	Oppose	No	No
Spencer, Louise	Concord, NH lpskentstreet@gmail.com	A Member of the Public	Myself	Oppose	No	No
Lowe, Jo-Anne	SEABROOK, NH mamaduckdesigns@msn.com	A Member of the Public	Myself	Oppose	No	No
Jones, Nathaniel	BRENTWOOD, NH nate_jones@hotmail.com	A Member of the Public	Myself	Oppose	No	No
Jones, Jennifer	BRENTWOOD, NH jennjones123@hotmail.com	A Member of the Public	Myself	Oppose	No	No
Tentarelli, Liz	Newbury, NH LWV@kenliz.net	A Member of the Public	myself	Oppose	No	No
Cote, Lois	Manchester, NH, NH lcote06@outlook.com	A Member of the Public	Myself	Oppose	No	No
Bowles, Margaret	Lyme, NH mcb2885@gmail.com	A Member of the Public	Myself	Oppose	No	No
Nardino, Marie	Andover, NH mdnardino@gmail.com	A Member of the Public	Myself	Oppose	No	No
Moore, Susan	Franconia, NH susan.moore.franconia@gmail.com	A Member of the Public	Myself	Oppose	No	No
Burr, Emily	Canterbury, NH revemilyburr@gmail.com	A Member of the Public	Myself	Oppose	No	No
Phillips, Betsey	Bethlehem, NH bphill36@gmail.com	A Member of the Public	Myself	Oppose	No	No
Phillips, Chuck	Bethlehem, NH chuckpnh@gmail.com	A Member of the Public	Myself	Support	No	No
Moccia, Lianne	LEBANON, NH lianne.moccia@gmail.com	A Member of the Public	Myself	Oppose	No	No
Hamer, Gary	Manchester, NH grhamer@aol.com	A Member of the Public	Myself	Oppose	No	No
FRIEDRICH, ED	Loudon, NH erfriedrich@yahoo.com	A Member of the Public	Myself	Oppose	No	No
MacGregor, Leslie	Grantham, NH lsmacgregor@gmail.com	A Member of the Public	Myself	Oppose	No	No
Nelson, Deborah	Hanover, NH dbaconnelson@gmail.com	A Member of the Public	Myself	Support	No	No
LaMontagne, Jessica	Dover, NH finnlamontagne@gmail.com	An Elected Official	Myself	Oppose	No	No
Black, William	Hanover, NH billblacknh@gmail.com	A Member of the Public	Myself	Oppose	No	No
Richman, Susan	Durham, NH susan7richman@gmail.com	A Member of the Public	Myself	Oppose	No	No
Hennessey, Martha	Hanover, NH Msh4wt@gmail.com	A Member of the Public	Myself	Oppose	No	No
Muns, Chris	Hampton, NH chris.muns@leg.state.nh.us	An Elected Official	Myself	Oppose	No	No

Allen, Mary Grace	Dover, NH marygracekatherine@gmail.com	A Member of the Public	Myself	Oppose	No	No
Taylor, Susan	Plainfield, NH sueetaylor158@gmail.com	A Member of the Public	Myself	Oppose	No	No
Taylor, David	Plainfield, NH dstaylor342@gmail.com	A Member of the Public	Myself	Oppose	No	No
Fudge, Kim Marie	NORTH CONWAY, NH kimfudge20@gmail.com	A Member of the Public	Myself	Support	No	No
Hinebauch, Mel	Concord, NH melhinebauch@gmail.com	A Member of the Public	Myself	Oppose	No	No
Spielman, Kathy Sue	Durham, NH jspielman@comcast.net	A Member of the Public	Myself	Oppose	No	No
Steel, Sandy	PLAINFIELD, NH selizabethsteel@gmail.com	A Member of the Public	Myself	Oppose	No	No
Hayes, Randy	Canterbury, NH rcompostr@gmail.com	A Member of the Public	Myself	Oppose	No	No
Palmer, William	Cornish, NH wpalmernh@gmail.com	An Elected Official	Myself	Oppose	No	No
McBeeath, Rebecca	Portsmouth, NH BMcB@comcast.net	An Elected Official	Myself	Oppose	No	No
Osborne, Jason	Auburn, NH houserepoffice@leg.state.nh.us	An Elected Official	Myself	Support	No	No
O'Donnell, Alex	Weare, NH arodonnell22@gmail.com	A Member of the Public	Myself	Oppose	No	No
MCCONKEY, MARK	FREEDOM, NH MRKMCCONKEY@GMAIL.COM	An Elected Official	Myself	Support	No	No
Mannion, Thomas	Pelham, NH tom.mannion@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Terry, Paul	Alton, NH paul.terry@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Harrington, Mike	Strafford, NH harringt@metrocast.net	An Elected Official	Strafford Distric 18	Support	No	No
Ouellet, Mike	Colebrook, NH Mike.ouellet@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Cline, Andrew	Bedford, NH cline@jbartlett.org	A Member of the Public	Josiah Bartlett Center for Public Policy	Support	No	No
Mattlage, Linda	Concord, NH l.mattlage@gmail.com	A Member of the Public	Myself	Oppose	No	No
Bailey, Allan	Troy, NH abailey@sprynet.com	An Elected Official	Myself	Support	No	No
Thackston, Dick	Troy, NH Thackston3@aol.com	An Elected Official	Myself	Support	No	No
Piemonte, Tony	SANDOWN, NH tonycpiemonte@gmail.com	An Elected Official	Myself	Support	No	No
McGough, Tim	Merrimack, NH Tim.McGough@leg.state.nh.us	An Elected Official	Hillsborough-12, Town of Merrimack	Support	No	No
BALDWIN, HEATHER	Thornton, NH hpbaldwin48@gmail.com	An Elected Official	Myself	Oppose	No	No
Friedman, Richard	Bedford, NH friedman946@yahoo.com	A Member of the Public	Myself	Oppose	No	No
Kuttab, Rep. Katelyn	Windham, NH Katelyn@kkuttab.com	An Elected Official	Rockingham 17	Support	No	No
Koch, Helmut	Concord, NH helmut.koch.2001@gmail.com	A Member of the Public	Myself	Oppose	No	No

Vose, Michael	Epping, NH michael@nhrepvose.com	An Elected Official	Myself	Support	No	No

1. Re: **OPPOSE HB15, HB133, HB100**

January 23, 2023

To the House Ways and Means Committee

Re: In **support of HB192**, and **in opposition to HB15, HB133, HB100** – all to give NH a reasonable budget to fund our government and its services

Dear Lawmakers,

On March 12, 2022 Croydon's school budget was slashed in half by those who chose to show up to vote. These were people eager to cut public dollars, regardless of the detrimental effect it would have on Croydon school children and their families.

Recently we see this same "cut the cost of government, regardless of the effect" ideology more frequently in NH.

Meanwhile,

- the state is sitting on funds from HAVA, the Volkswagen settlement, federal stimulus dollars, and the promise of $70 million from the Inflation Reduction Act;
- services for needy children are inadequate;
- schools with a poor property base lack adequate funding;
- communities need help developing sufficient workforce housing and affordable childcare;
- …and more…

The Business and Industry Association, speaking on behalf of NH employers, decries the shortage of workers. Among the reasons it is so hard to convince talented workers to come to New Hampshire are the lack of affordable housing and childcare. This is the NH disadvantage!!

This is not the time to tighten our belts. We need to care for our current population, so they can be dependable workers, and we need to cultivate the basic living conditions that will welcome new workers to the Granite State.

I urge you to OPPOSE HB15, HB133 and HB100 – which, taken together, would remove about $160 million from our state coffers.

I urge you to SUPPORT HB192, which would restore $100 to $130 million in Interest & Dividends taxes, without harm to lower and moderate income citizens.

Please do not accept the rhetoric of those who view any tax as a bad tax, any government as an infringement. Our glorious State House works to balance cost with the needs of a healthy community.

Thank you for your consideration,

Susan Richman
16 Cowell Drive, Durham, NH 03824
603-868-2758 susan7richman@gmail.com

ACTION:
This week there are three bills that would drastically reduce state revenue. We are asking Kent Streeters to sign in in opposition. There is one bill that would raise revenues and we ask people to sign in in support.

2. **Sign in** to **OPPOSE** **HB15**, **HB133**, **HB100**
3. **Sign in to SUPPORT HB192**, all of which are being heard on **Tuesday, January 24th in the House Ways and Means Committee**.
4. **Email** the committee (see talking points below). One email on all four bills is sufficient.

- HB192 would undo the $100-$130M loss from last term's sequential repeal of the Interest & Dividends tax while still protecting the low-and-moderate-income people who have some interest & dividends. Major corporations do not need, no did they ask for, this boondoggle windfall.

Testimony on House Bill 100, an act to repeal the interest and dividends tax

Dear members of the House Ways & Means Committee:

Thank you for the opportunity to testify on House Bill 100.

This bill would accelerate by three years the date at which New Hampshire's Interest & Dividends Tax is removed from the books. The Josiah Bartlett Center for Public Policy believes that moving this date forward by three years will enhance New Hampshire's position relative to other states in the increasingly aggressive competition among all U.S. states (and foreign jurisdictions) to gain an economic advantage in the global marketplace.

The New Hampshire Advantage is real. By creating a low-tax, relatively low-regulation refuge in the Northeastern United States, elected officials of both parties have delivered profound benefits for Granite Staters.

From 1977-2019, New Hampshire's economy grew by an astounding 335%. Massachusetts had the second highest economic growth in New England at 234%, a full hundred percentage points below New Hampshire. The U.S. economy grew by 203% in those same years.

This growth has given Granite Staters the highest median household income in northern New England, 25% higher than Vermont's and 35% higher than Maine's.

Over those years, however, officials in other states have watched and learned. Eight U.S. states now have no income tax. New Hampshire is not one of them. The are: Alaska, Florida, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming. (Washington passed a capital gains tax in 2021 but it's been blocked by a court pending a challenge to its constitutionality.)

Nine states now have a flat income tax. The Interest & Dividends Tax is a tax on passive income, which puts New Hampshire in this second-tier of low-tax states.

But five other states have passed legislation to move to a flat income tax. Others, including North Carolina, are phasing out their income taxes on the way to joining the first group.

Policymakers in these states are intentionally trying to keep their people, employers and entrepreneurs — and attract those in other states — by narrowing the gap between their tax burden and the burdens in states like New Hampshire.

In other words, they are trying to put an end to the New Hampshire Advantage by lowering their taxes to the point that they beat us on national rankings.

Having the Interest & Dividends Tax on the books is hurting New Hampshire in this increasingly competitive landscape. Investors, retirees, and many entrepreneurs know that they gain nothing financially by moving to New Hampshire because we tax their investment income.

Even AARP has pointed out to its members that New Hampshire is a less desirable place to retire than Florida, Tennessee, Texas or any of the other truly income-tax-free states because we tax investment income.

“Nine states — Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming — have no income taxes. New Hampshire, however, taxes interest and dividends, according to the Tax Foundation,” AARP’s website warned its members in a post last year.

Turbotax warned its users in December that New Hampshire actually has an income tax. After listing the states with no income tax, it noted that “New Hampshire limits its tax to interest and dividend income, not income from wages.”

Maintaining the Interest & Dividends tax is costing New Hampshire. It creates a small but real drag on both economic and population growth.

“Over the past decade, states which forgo income taxes have seen their populations grow at twice the national rate, and gross state product grew 56 percent faster in states without an income tax than it did in those with one over that period,” the Tax Foundation noted in 2021.

As long as this tax remains on the books, it discourages relocation to New Hampshire by individuals who could use their assets to invest in local start-ups, commercial and residential real estate development, and local non-profits. It also chases away successful Granite Staters. When financially successful Granite Staters move to Florida and Tennessee to avoid the Interest & Dividends Tax, New Hampshire loses.

The most commonly made objection to ending the Interest & Dividends Tax is that it would reduce state revenues. But i's unclear how much revenue the state would lose.

Revenue from the I&D Tax has varied over the last decade. The tax brought in $93 million in fiscal year 2013, and fluctuated between a low of $79.8 million and a high of $96.9 million through fiscal year 2017. Since fiscal year 2018, the tax has generated more than $100 million in revenue annually, spiking to a record $157.5 million in fiscal year 2022.

The 2022 revenue was driven by unusually large stock market gains that year.

Assuming annual revenues in the $100 million to $125 million range, the question is whether the state could weather the loss of those funds without making severe budget cuts. The answer is obviously yes.

For the last decade, state General Fund and Education Trust Fund revenues have exceeded budgeted amounts in every year save one. Revenues were $435.5 million above plan in FY 2022, $323.7 million above plan in FY 2021, $173 million above plan in FY 2019, $133 million above plan in FY 2018, $96 million above plan in FY 2017, $166 million above plan in FY 2016, $47 million above plan in FY 2015, $3.8 million above plan in FY 2014, and $45.7 million above plan in FY 2013.

In the last decade, revenues were below plan only during the pandemic year of 2020, when the sharp decline in business activity caused business tax and rooms and meals tax revenue to plunge.

New Hampshire's growing economy has already generated enough surplus state revenue to replace the I&D Tax revenue.

But that's only part of the story. As mentioned, a full repeal of the I&D Tax would make New Hampshire more attractive to retirees, investors, and entrepreneurs. We can expect more investment in New Hampshire's economy, and more economic growth — thus, more business tax revenue — as a result of this repeal. How much more is not clear, but it's certainly to be expected that the state will reap positive economic benefits from the repeal of this tax.

Thank you for your time, and for considering our testimony.

Andrew Cline
President
Josiah Bartlett Center for Public Policy

Ann Garland

Laura Carty

Please stop cutting taxes on the most wealthy, while continuing to downshift state obligations to property taxpayers in NH cities and towns.

Maura Willing

The current administration's ideas regarding what should be taught and not taught is unacceptable. As a former teacher I firmly believe ideas, even unpleasant ones, are the basis of a strong society.

Nathaniel Jones

This bill will reduce taxes for NH residents with the highest incomes and will increase the tax burden on lower income families. I am happy to continue to pay I+D taxes for the good of the community and state I live in.

Jennifer Jones

This bill will reduce taxes for NH residents with the highest incomes and will increase the tax burden on lower income families. I am happy to continue to pay I+D taxes for the good of the community and state I live in.

Liz Tentarelli

Lianne Moccia

I oppose this bill.

ED FRIEDRICH

...

Deborah Nelson

The interest and dividends tax is an important source of revenue for the State, and the burden is not on the average wage earner, as we all know. Running a state takes funds, and this is a proven way to bring in revenue. Fiscal prudence, sound budgeting, and clear sources of revenue are critical to a democracy.

Jessica LaMontagne

I do not believe we should be repealing more taxes when we need revenue for the common good in this state. We have many unmet needs that only the government can address with regard to protecting the environment, investing in infrastructure for the twenty-first century, education, and health care to name a few. Repealing the Interest and Dividends tax will benefit few and hurt the common good.

William Palmer

I strongly oppose the repeal of this tax. This is estimated to cost over $100 million in lost revenue just over the next few years and this will result in reduced services and pressure to increase property taxes which are what my constituents are worried about. My constituents want their property taxes low, their roads in good repair, access to excellent education and health care. Our state already has one of the lowest tax burdens in the country and its contribution to public education(for example) is already the lowest of close to the lowest in the country. We want and need to encourage young people to move here.

Thomas Mannion

Please vote OTP on HB100 and get rid of the Interest and Dividends tax altogether. This affects the large retiree communities in my town. The phase out is inevitable, just get it over with. Taxation is theft.

Mike Harrington

I support lowering taxes!!!

Allan Bailey

I fully support this bill. As New Hampdhire residents, we are proud to have no income tax, yet the tax on interest and dividends is exactly that. Repeal it!

Dick Thackston

I feel strongly that passage of this bill will be in the best interest of all Granite Staters by reducing their tax burden and will serve the added benefit of attracting more individuals looking to live and invest in a lower tax environment.

Tim McGough

I support this bill and the reduction elimination of the Interests and Dividends Tax.

Richard Friedman

Our state needs to maintain the current dividends and interest tax to provide adequate state revenue from those of our citizens who are fortunate to have such earnings after the current exemption levels. I oppose reducing this tax

HB 100

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

23-0151

HB 100, *repeal the interest and dividends tax*

House Ways and Means

Repeal of the Interest and Dividends Tax

The proposed legislation changes the effective date of the repeal the Interest and Dividends ("I&D") tax from the effective date of January 1, 2027 to the effective date of January 1, 2024. This proposed legislation shall take effect upon its passage.

The proposed legislation is silent on the I&D rates as set out in Chapter 91, Section 89, Laws of 2021 for taxable periods ending on or after December 31, 2024 through taxable periods ending on or after December 31, 2026. The DRA assumes that those provisions will no longer be in effect after the passage of this proposed legislation.

The fiscal impact of this proposed legislation is an indeterminable decrease to the General Fund starting in FY 2024. The DRA has no definitive method to determine future I&D tax liability and credit carryforward amounts. The DRA has calculated a possible fiscal impact based on FY 2022 cash basis revenue as follows:

1. To calculate FY 2023 thru FY 2026 revenues under current law, the DRA used FY 2022 cash basis revenue reported by the Department of Administrative Services in the Revenue Focus of $156,400,000 for the I&D starting point.

2. The DRA did an analysis based on prior years to break out the split of tax year revenue to fiscal year revenue. The split breakdown used for FY 2023 and forward revenue was 5% attributable to two tax years prior, 68% attributable to prior tax year, and 27% attributable to current tax year.

3. Applying the 5% tax rate to gross up the FY 2022 cash basis revenue creates a taxable I&D base of $3,128,000,000 to use for the starting point.

4. The chart below reflects in each fiscal year, the portion of revenue from respective tax years, the applicable I&D rate based on current law and the repeal of the I&D based on the proposed legislation.

5. The I&D rate reduction based on current law and the proposed repeal is then applied based on the relevant tax year in each fiscal year to come up with the revenue for each fiscal year in each comparative scenario.

6. This estimated fiscal impact may be overstated or understated for future fiscal years depending on whether actual revenue is more or less than reported FY22 collections.

The estimated fiscal impact does not take into account any overpayments/credit carryforwards on file. The use of these overpayments would further increase the loss in revenue as taxpayers stop making payments and supplement the payments with overpayments already on file with the department. The DRA is unable to determine how the taxpayer would utilize the overpayment, whether they would use it over the multiple years or whether they would claim it as a refund.

Similarly, there could also be trailing amounts of I&D tax collected even once the tax is fully repealed from audit and collection activity.

Fiscal Year	Tax Year	% Applicable to Tax Year	Current Law I&D Rates	Proposed Law I&D Rates
Fiscal Year 2024	Tax Year 2022	5%	5.0%	5.0%
	Tax Year 2023	68%	4.0%	4.0%
	Tax Year 2024	27%	3.0%	0.0%
Fiscal Year 2025	Tax Year 2023	5%	4.0%	4.0%
	Tax Year 2024	68%	3.0%	0.0%
	Tax Year 2025	27%	2.0%	0.0%
Fiscal Year 2026	Tax Year 2024	5%	3.0%	0.0%
	Tax Year 2025	68%	2.0%	0.0%
	Tax Year 2026	27%	1.0%	0.0%
Fiscal Year 2027	Tax Year 2025	5%	2.0%	0.0%
	Tax Year 2026	68%	1.0%	0.0%
	Tax Year 2027	27%	0.0%	0.0%
Fiscal Year 2028	Tax Year 2026	5%	1.0%	0.0%
	Tax Year 2027	68%	0.0%	0.0%
	Tax Year 2028	27%	0.0%	0.0%
Fiscal Year 2029 and forward	Tax Year 2027 and forward	100%	0.0%	0.0%

Fiscal Impact by Fiscal Year

Interest and Dividends Tax- Static Analysis using FY 2022 Revenues				
Fiscal Year	Current Law Revenue Using FY2022 Base	Estimated Revenue with Proposed Legislation	Estimated Fiscal Impact Per Year	Cumulative Fiscal Impact
2024	$118,200,000	$92,900,000	($25,300,000)	($25,300,000)
2025	$87,000,000	$6,300,000	($80,700,000)	($106,000,000)
2026	$55,600,000	$0	($55,600,000)	($161,600,000)
2027	$24,400,000	$0	($24,400,000)	($186,000,000)
2028	$1,600,000	$0	($1,600,000)	($187,600,000)

Key Points from Tax Foundation Testimony on House Bill 100
Presented by Katherine Loughead (kloughead@taxfoundation.org)

- This bill would not only end the tax burden of the Interest and Dividends tax sooner, allowing taxpayers to keep more of the returns on their investments, but it would also spare taxpayers the burden of three additional years' worth of filing income tax forms in New Hampshire.

- Given that New Hampshire policymakers have already agreed to repeal the Interest and Dividends tax, it makes sense that this body would also work to expedite the phaseout of the tax to the extent the state has the revenue capacity to do so.

- If the Interest and Dividends tax were already repealed, New Hampshire would rank 7th instead of 9th on *State Business Tax Climate Index*'s individual tax component, and New Hampshire would rank 5th instead of 6th overall.

- The Interest and Dividends tax is the one policy standing in the way of New Hampshire truly joining the ranks of the individual income tax-free states.

- Most states with individual income taxes on wage and salary income apply the same rate or rates to interest and dividends income, making New Hampshire unique among states in applying a tax to interest and dividends income but not to wage and salary income.

    - Tennessee previously levied a tax on interest and dividends income, known as the Hall tax, but that tax was phased out by one percentage point per year, reduced from 6 percent in 2015 to 1 percent in 2020, before being repealed entirely in January 2021.

- As a source of revenue, the Interest and Dividends tax is particularly unstable because revenues are tied to the performance of the stock market.

- The I&D tax is also a relatively small source of revenue, bringing in only $156.4 million in FY 2022, or about 7 percent of New Hampshire's total state and local tax collections for that year.

- Expediting the phaseout of this tax would benefit taxpayers, but given ongoing economic uncertainty and a slowing down of revenue growth, policymakers should take a close look at revenue projections to ensure expediting the phaseout of this tax can be accomplished responsibly.

- Expediting the phaseout of the Interest and Dividends tax would reduce tax and compliance burdens for New Hampshire residents, reduce administrative costs for the state, and improve the competitiveness of New Hampshire's tax structure. Expediting the phaseout of this tax a policy change that is well worth serious consideration.

HB 100-FN-A Repealing the Interest and Dividends Tax as of 1/1/2024

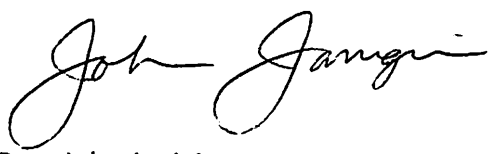
NH touts itself as an income tax free state, but we do tax interest and dividends which is classified as income. As you all know, we currently are phasing out the I&D tax each year until it is completely phased out by January 2027.

This bill, HB 100, would accelerate the phase out and move the phase out date from 1/1/27 to 1/1/24, thus moving it up by 3 years.

Advantages of eliminating the tax:

- We will be able to say that NH is truly an income tax free state. Tennessee just finished phasing out its I&D tax last year. Both NH and Tennessee both had an asterick next to their name for the fact that they both have I&D taxes. Now it is just NH.
- We will stop the migration of wealthy retired NH residents to states like Florida who have no income tax and do not tax Interests and Dividends. Losing those individuals, many who are or were business owners means they are taking their businesses and their consumption of goods and services to other states like Florida.
- No interest and dividends tax will mean higher business profits and higher BPT collections. Many LLCs and Corporations have their distributions taxed as dividends and therefore subject to the I&D tax. That's less money for investing in the business and less spent consuming goods. Alternatively, the money saved by eliminating the tax is money that may now be spent on goods and services and will lead to higher BPT revenue and thus higher tax collections.
- People migrate to states with lower income taxes and therefore it helps NH increase the pool of eligible workers and helps companies grow and expand. Again – growing and expanding businesses are generally going to pay higher BPT and BET taxes.
- The interest and dividends tax is more likely paid by older workers and retirees. They are unfairly taking on a higher burden.
- With the elimination of the tax, wealthy individuals are more likely to bring their wealth to NH. This can then be a source of investment cash and seed money for growing and building businesses. It will also lead to higher consumption of goods and services by those wealthy individuals.

Respectfully Submitted,



Rep. John Janigian

Rockingham D25 (Salem)

Re: HB 100 (opposed) and HB192 (support) Proposed Interest & Dividend Tax Changes

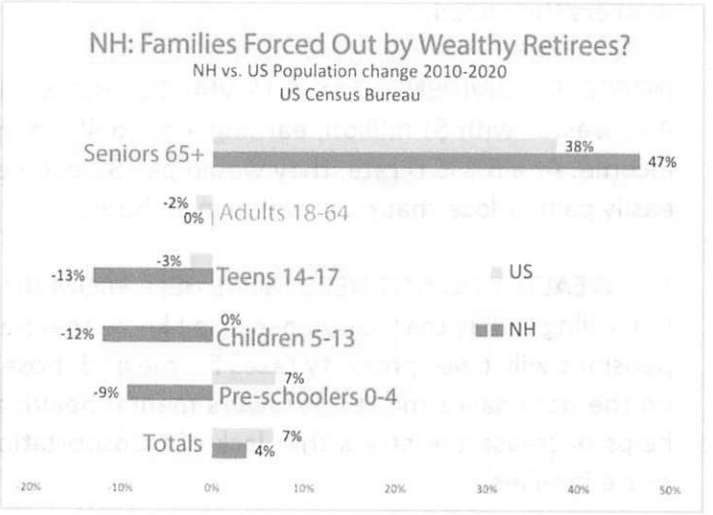
Dear House Ways and Means member:

I have paid NH Interest & Dividends tax nearly every one of the 38 years I've lived here, but I oppose HB100 to remove it. Removing the I&D would harm the people who elected you. It would:

- cut as much as $200 million from the biennium budget when risk of a recession is high.
- worsen the housing crisis, workforce shortage and property tax increases.
- ignore the needs of those struggling in order to help those who least need it.
- further NH's hemorrhaging of families with children.

NH IS LOSING FAMILIES

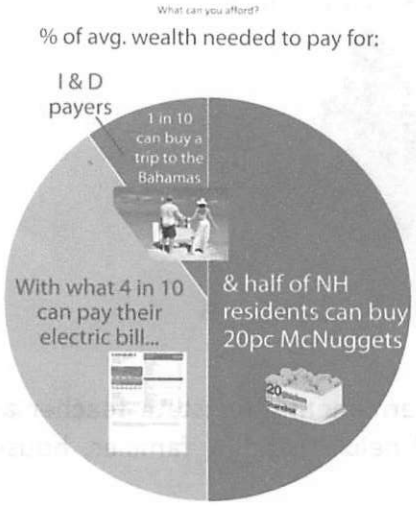
Between the 2010 and 2020 census, NH gained retirees and lost children far faster than the nation as a whole (see chart). Since then, realtors report, most people moving in are ages 50-70. Nearly all younger buyers are childless.



WHY IS NH LOSING FAMILIES?

NH places an enormous burden on middle and lower income families through property taxes, gas taxes, and auto registration fees. Over the past decade, the legislature has downshifted more and more of the burden away from large corporations and the wealthy onto towns. NH salaries and wages have not kept up.

The wealthiest 1 % gained over half of new wealth since the pandemic. The top 10% now own 76% of all wealth in the US! That means that half of people would use the same portion of average wealth to buy a 20-pc box of McNuggets for what the next, above average 40%, would use to pay their electric bill. For that proportion of wealth, the top 10% could pay for a trip for 2 to the Bahamas.

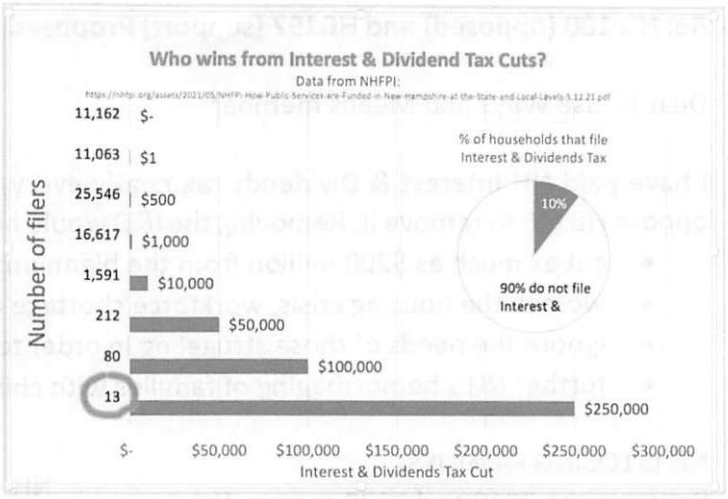


Those Bahamas vacationers are the ones paying nearly all of the I&D tax. Even so, as the chart on the next page shows, most of the people who currently pay the I&D, pay <$500. Most of these would pay nothing if HB192 passes.

For others, like me, HB192 would return the tax rate to 5%. That would bring in a estimated $200 mil over the upcoming biennium. $200 mil we would lose under HB100.

STAGNANT WEALTH IS WASTEFUL

I also oppose HB100 and support HB192 because I know that stagnant wealth is wasteful. It lets real estate investors sit on empty, deteriorating properties in my town and others. This reduces affordable housing. Lack of affordable housing and high property taxes mean that the growing companies in my town and our state cannot expand or find the workers they need.



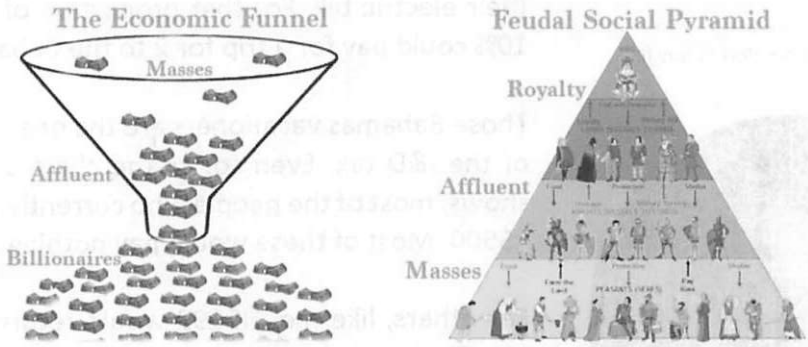
INTEREST & DIVIDENDS TAX IS TRIVIAL TO THOSE WHO PAY IT

An investor with $! million, earning a good 4% in interest or dividends, would have $40,000 in income. At a 5% I&D rate, they would pay $2,000 per year. A stock investment of $1 million can easily gain or lose that much value in an hour.

THE WEALTHY DO NOT NEED MORE HELP FROM NH

I'm willing to pay that $2000 because I know that helping towns pay their teacher and municipal pensions will lower property taxes for me and those who really need it. Lowering property taxes on the poor saves money. It lowers mental health and human services costs. That's because it helps decrease the stress that lack of transportation, inadequate wages, and lack of childcare cause families.

Tax policy doesn't happen in a vacuum. We can't just repeatedly cut taxes for the wealthy and large corporations and think that it has no impact on the rest of NH citizens. The economy has been proven over and over to be a funnel to the wealthy, not a social pyramid (see image below). The state can save money by paying more attention to the majority of its residents, at the top of the funnel, who work for a living. The wealthy will get theirs, regardless.



PLEASE OPPOSE HB100 AND SUPPORT HB192.

Please encourage House members to use these funds to permanently reinstate teacher and municipal pension funding to towns, cut in 2011. This will help struggling families, housing affordability, social-service costs and workforce scarcity.

HB 100-FN-A - AS INTRODUCED

2023 SESSION

23-0151
02/04

HOUSE BILL ***100-FN-A***

AN ACT to repeal the interest and dividends tax.

SPONSORS: Rep. Janigian, Rock. 25; Rep. Osborne, Rock. 2; Rep. Weyler, Rock. 14; Rep. L. Sanborn, Hills. 2; Rep. Doucette, Rock. 25; Rep. Harley, Rock. 30; Sen. Abbas, Dist 22

COMMITTEE: Ways and Means

ANALYSIS

This bill changes the effective date of the repeal of the interest and dividends tax.

- -

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

23-0151
02/04

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT to repeal the interest and dividends tax.

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

1 Returns for Interest and Dividends Taxes; 2027. Amend 2021, 91:100 to read as follows:

91:100 Returns for Interest and Dividends Taxes; [~~2027~~] ***2024***. All persons who are liable for a tax under RSA 77 as of December 31, [~~2026~~] ***2023***, who thereafter are no longer liable for a tax under RSA 77 because of the passage of this act shall make a return of such taxes due the commissioner of revenue administration in such manner and on such forms as the commissioner shall prescribe in rules adopted under RSA 541-A. The administrative provisions of RSA 77 shall remain in effect to permit the audit and collection of taxes upon income taxable under RSA 77 which is received by persons subject to taxation under that chapter through December 31, [~~2026~~] ***2023***, and to permit the distribution of that revenue. Persons who are liable for a tax under RSA 77 who do not report the payment of federal income taxes on a calendar year basis are entitled to such proportion of the exemptions allowed in RSA 77 as the reporting period bears to their taxable year.

2 Application; Repeal of RSA 77. Amend 2021, 91:101 to read as follows:

91:101 Application; Repeal of RSA 77. [~~Paragraph II of section 99~~] ***The repeal of RSA 77 by this act*** shall apply to taxable periods beginning after December 31, [~~2026~~] ***2023.***

3 Repeals; Interest and Dividends Taxation; Effective Date. Amend 2021, 91:102, II to read as follows:

II. Sections 90-100 of this act shall take effect January 1, [~~2027~~] ***2024***.

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

LBA
23-0151
11/2/22

HB 100-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT to repeal the interest and dividends tax.

FISCAL IMPACT: [X] State [ ] County [ ] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Appropriation	$0	$0	$0	$0
Revenue	$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	$0	$0	$0	$0
Funding Source:	[X] General	[ ] Education	[ ] Highway	[ ] Other

METHODOLOGY:

This bill changes the effective date of the repeal of the Interest and Dividends (I&D) tax from January 1, 2027 to January 1, 2024. The Department of Revenue Administration states the fiscal impact is indeterminable as the Department is not able to predict future I&D tax liability or credit carryforward amounts. Based on the following assumptions/information, the Department is able to estimate a possible fiscal impact:

- the bill is silent on the I&D tax rates as contained in Chapter 91:89, Laws of 2021, for taxable periods ending on or after December 31, 2024 through taxable periods ending on or after December 31, 2026. In estimating a potential fiscal impact of this bill, the Department is assuming the rates will no longer be in effect if this bill is passed.
- the starting point for calculating the fiscal impact is the FY 2022 cash basis I&D of $156,400,000.
- based on a tax year revenue analysis of prior fiscal years, it was determined fiscal year tax revenue is comprised of 5 percent from the tax year 2 years prior, 68 percent is from the tax year 1 year prior and 27 percent from the current tax year (See table 1 below)
- applying the 5% tax rate to gross up the FY 2022 cash basis revenue results in a taxable I&D base of $3,128,000,000 to use for the starting point of calculating the fiscal impact.

The first table below provides the tax rates and splits. The second table provides an estimated impact repealing the I&D tax will have on revenue.

Table 1. Current Law and Proposed Legislation Rates and Splits

Fiscal Year	Tax Year	% Applicable	Current Law I&D	Proposed Law I&D

(FY)	(TY)	to Tax Year	Rates	Rates
FY 2024	TY 2022	5%	5.0%	5.0%
	TY 2023	68%	4.0%	4.0%
	TY 2024	27%	3.0%	0.0%
FY 2025	TY 2023	5%	4.0%	4.0%
	TY 2024	68%	3.0%	0.0%
	TY 2025	27%	2.0%	0.0%
FY 2026	TY 2024	5%	3.0%	0.0%
	TY 2025	68%	2.0%	0.0%
	TY 2026	27%	1.0%	0.0%
FY 2027	TY 2025	5%	2.0%	0.0%
	TY 2026	68%	1.0%	0.0%
	TY 2027	27%	0.0%	0.0%
FY 2028	TY 2026	5%	1.0%	0.0%
	TY 2027	68%	0.0%	0.0%
	TY 2028	27%	0.0%	0.0%
FY 2029 and forward	TY 2027 and forward	100%	0.0%	0.0%

Table 2. I&D Repeal Fiscal Impact - Static Analysis

Fiscal Year	FY 2022 Revenues with Current Law	FY 2022 Revenues with Proposed Legislation	Estimated Fiscal Impact Per Year (Proposed Legislation Compared to Current Law)	Cumulative Fiscal Impact (Proposed Legislation Compared to Current Law)
2024	$118,200,000	$92,900,000	($25,300,000)	($25,300,000)
2025	$87,000,000	$6,300,000	($80,700,000)	($106,000,000)
2026	$55,600,000	$0	($55,600,000)	($161,600,000)
2027	$24,400,000	$0	($24,400,000)	($186,000,000)
2028	$1,600,000	$0	($1,600,000)	($187,600,000)

The fiscal impact of the proposed rate reduction as depicted in the above table may be overstated or understated for future years depending on whether actual revenue is more or less than the FY 2022 cash basis revenue. The estimated fiscal impact does not account for any overpayment/ credit carry forwards on file. The use of these overpayments would further increase the loss of revenue as taxpayers would apply the overpayments to any I&D tax liability.

The Department would need to update all necessary tax return forms and electronic management systems to reflect the accelerated repeal of the I&D tax; however, it is not anticipated this will result in any additional administrative costs that could not be absorbed in the Department's operating budget.

AGENCIES CONTACTED:

Department of Revenue Administration