

Senate Ways and Means Committee

Sonja Caldwell 271-2117

SB 652-FN, changing the maximum award of tax credits for overpayment of due taxes.

Hearing Date: February 4, 2026

Members of the Committee Present: Senators Lang, Murphy, Sullivan, Rosenwald and Fenton

Members of the Committee Absent : None

Bill Analysis: This bill changes the maximum award of tax credits for overpayment of due taxes.

Sponsors:
Sen. Lang

Who supports the bill: Sen. Lang

Who opposes the bill: Daniel Richardson, Derek Avila, Claire Gogolen

Who is neutral on the bill: No one

Summary of testimony presented in support:
Sen. Lang

- Sen. Lang stated that this bill was technical in nature, and the topic was important to him and also to former Representative Norman Major, who had often expressed concern about the state's liabilities when New Hampshire residents overpaid their taxes and did not request refunds year after year.
- Sen. Lang stated that when he was in the House, he and Representative Major had passed a bill that would have required mandatory refunds over certain percentages so the state's liability of holding cash on hand subject to a refund request wouldn't continue to grow. That bill was done in three phases that went from 500% to 250% to 100%.
- He said that as the Chair of Senate Ways and Means, he would like to be able to manage the state's cash flow better.
- This bill retains Rep. Major's idea of eliminating the state's liability for overpayments while simply extending the timeline for doing so, in order to manage the state's cash flow.

- At any point, a business can request 100% of their refund if they want it. This bill does not change that. This bill just changes the mandatory refunds required of the DRA, making them a bit smoother by reducing the amount of credit-carry forward allowed by 50% each biennium.
- Sen. Lang clarified that this was a simple cash management bill meant to smooth out the process of accounting for the state's liability.
- Sen. Lang referenced the Department of Revenue Administration's analysis of the bill, which explained that the state will be responsible for a mandatory refund of \$30,000,000 in 2029, and then \$98,000,000 two years later. This bill would spread out these refunds over time, to occur in much smaller increments over a longer period. The next two bienniums would instead demand \$2,800,000 and \$3,600,000 respectively. This slowly returns those funds over time rather than all at once.

Sen. Murphy said that this bill included two major changes. First, it changes the draw-down period from five years to 15 years. Second, the bill changes the total maximum liability from 100% to 150%. The senator asked for clarification on why the second change was being made.

Sen. Lang explained that this was to respond to business changes and shifts in the cost of living. He stated that 100% today might not be equivalent to 100% the next year.

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Date Hearing Report completed: February 5, 2026