

Senate Children and Family Law Committee

Declan Donahue 271-3324

HB 1225, relative to the definition of adjusted gross income with respect to child support guidelines.

Hearing Date: March 19, 2026

Time Opened: 11:33 a.m.

Time Closed: 12:01 p.m.

Members of the Committee Present: Senators Abbas, Sullivan and Long

Members of the Committee Absent : None

Bill Analysis: This bill adds additional tax obligations that are subtracted when calculating "adjusted gross income" for child support obligations.

Sponsors:

Rep. Markell

Rep. Georges

Rep. Nelson

Rep. M. Pearson

Rep. Rice

Who supports the bill: Rep. Jay Markell, Rep. Debra DiSimone, Daniel Gilbert, Cory Stone, Curtis Howland, Pamela Harders, Aubrey Freedman

Who opposes the bill: Georgina Lambert, Sherly Harianto, Emily Lawrence

Who is neutral on the bill: Matthew Hayes, Lisa Dekutoski

Summary of testimony presented:

Representative. Jay Markell (Rockingham - District 18)

- This bill would establish fairness within how child support guidelines work.
- Child support is calculated within guidelines of the worksheet arrive at an adjusted income, then a presumptive child support order.
- Under federal law, child support is not taxable or deductible.
- Rep. Markell walked through how the child support worksheet arrives at child support.
- The income share method is most common for child support, where the parent contributes the percentage of the child support equal to their percentage of the total income.
- Child support guidelines leave it to H.H.S. to calculate F.I.C.A. and Medicare, although they do not appear on the worksheet.

- This bill suggests there be an extra deduction of 3.8-4.0% to bring fairness since child support cannot be deducted but F.I.C.A. and medicare are.

Representative Debra DiSimone (Rockingham - District 18)

- The ever changing laws and regulations surrounding the I.R.S. tax code, and that F.I.C.A. and Medicare are removed.
- There is no double dip here, this bill gives a more fair and equitable deduction for the person that has to pay child support.
- There may be a proposed amendment to be discussed with the prime sponsor, and those conditions can be worked out.

Matthew Hayes (Attorney, Bureau of Child Support Services) & Lisa Dekutoski (Bureau Chief, Bureau of Child Support Services)

- The department still has concerns about the unintended consequences of the bill that would make it an uneven playing field.
- Currently under the definition of adjusted gross income (A.G.I.) you have one deduction for 50% of self-employed taxes paid, which is a deduction obligees and obligors can take, but this bill would apply it only to the obligor.
- F.I.C.A. taxes that could be deducted for the obligor already comes out in the formula.
- The net income definition specifically mentions F.I.C.A. taxes that would come out.
- There is a fiscal impact to this bill, as any adjustments to the child support guidelines would require adjustments to the guidelines and worksheet, software updates, and the online calculator. This would cost around \$300,000.
- We are in the midst of a child support guidelines review, which occurs every 4 years.
- The report will be issued by the end of the year, including an economic analysis of our guidelines and legislative recommendations.
- A holistic and comprehensive analysis leading to legislation is better than making isolated changes.
- These concerns can be incorporated into the report.
- Senator Abbas asked when the report will come out.
 - The contract requires the report to be submitted by December 31, 2026.
- Senator Abbas expressed concern that the report will come out after the legislative filing deadline for the next session, and asked that be kept in mind for future contracts like this.
 - There still is a 2022 report that does have some discussion about topics related to this, so the 2026 report should have those topics in it as well.

John Williams (Legislative Director, Department of Health and Human Services) & Representative Debra DiSimone (Rockingham - District 18)

- Rep. DiSimone requested the committee refer this bill to interim study so that an amendment could be made and more work could be done on the bill to make it more fair and equitable.
- Attorney Williams stated the recommendation for future legislation can be integrated through the Rules and Enrolled Bills Committee.
- The bill does shave a total cost of \$300,000 with no appropriation, and the drafting attorney did not note the possibility for a fiscal impact.
- Since there are no funds this year, correcting the issues with the bills and funding it would best be done next year.

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Date Hearing Report completed: March 31, 2026