

HB 1420-FN - AS INTRODUCED

2026 SESSION

26-2330

07/09

HOUSE BILL ***1420-FN***

AN ACT creating a temporary local newspaper advertisement tax credit.

SPONSORS: Rep. Perez, Rock. 16; Rep. Andrus, Merr. 5; Rep. DeRoy, Straf. 3; Rep. Sabourin
dit Choiniere, Rock. 30; Rep. Panek, Hills. 1; Rep. Ankarberg, Straf. 7; Rep.
Kuttab, Rock. 17; Rep. Popovici-Muller, Rock. 17

COMMITTEE: Ways and Means

ANALYSIS

This bill creates a temporary local newspaper advertisement tax credit program.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT creating a temporary local newspaper advertisement tax credit.

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

1 1 Short Title. This act may be known and cited as the "Lift Our Communities Advertise Locally
2 Act".

3 2 New Paragraph; Taxation; Business Profits Tax; Credits. Amend RSA 77-A:5 by inserting
4 after paragraph XVII the following new paragraphs:

5 XVIII. The local advertisement tax credit as computed in RSA 77-H. If the amount of the
6 credit allowed under this section for the taxable year exceeds the taxpayer's tax for such year, the
7 excess shall be treated as an overpayment of tax to be credited or refunded, but with no interest to
8 be paid thereon.

9 3 New Section; Business Enterprise Tax; Local Advertisement Tax Credit. Amend RSA 77-E by
10 inserting after section 14 the following new section:

11 77-E:15 Local Advertisement Tax Credit. The local advertisement tax credit, as computed in
12 RSA 77-H, shall be allowed against the tax due under this chapter. If the amount of the credit
13 allowed under this section for the taxable year exceeds the taxpayer's tax for such year, the excess
14 shall be treated as an overpayment of tax to be credited or refunded, but with no interest to be paid
15 thereon.

16 4 New Chapter; Local Advertisement Tax Credit. Amend RSA by inserting after chapter 77-G
17 the following new chapter:

18 CHAPTER 77-H

19 LOCAL ADVERTISEMENT TAX CREDIT

20 77-H:1 Definitions. For the purposes of this chapter:

21 I. "Advertising" means providing consideration for the publication, broadcast, dissemination,
22 solicitation, or circulation of visual, aural, spoken, or written communication to directly or indirectly:

23 (a) Induce any person or organization to purchase a good, program, product, or service,
24 or to contribute financially to a cause; or

25 (b) Raise awareness of a brand, good, program, product, service, or issue.

26 II. "Broadcast media business" means any broadcast station which:

27 (a) Owns or operates a broadcast station, as defined by section 3 of the Federal
28 Communications Act of 1934;

29 (b) Discloses its ownership to the public at such times and in such manner as identified
30 by the commissioner;

1 (c) Broadcasts news content that is primarily focused on local or current events of this
2 state, or of a county, city, town, village, or unincorporated place therein, otherwise known as such
3 broadcast media business' primary coverage area;

4 (d) Employs at least one full-time local news journalist that resides in, or within 50
5 miles of, the broadcast media business' primary coverage area;

6 (e) Broadcasts local news content not less frequently than once per week, and has done
7 so continuously for the preceding 12-month period;

8 (f) Carries valid libel or media liability insurance; and

9 (g) For a broadcast media business that distributes in only a digital format:

10 (1) Earned revenue of at least \$1 in the preceding taxable year; and

11 (2) Derives at least 33.33 percent of its audience, averaged over the preceding 12-
12 month period, from its primary coverage area.

13 II-a. For the purposes of this section, a broadcast station shall not be considered a broadcast
14 media business if such broadcast station is:

15 (a) Broadcast primarily for advertising or entertainment purposes; or

16 (b) Majority owned by, or derives at least 50 percent of its revenue from, excluded
17 organizations.

18 III. "Certificate of tax credit" means the document issued to an eligible business by the
19 department after the department has verified that such eligible business has met all applicable
20 eligibility criteria under this chapter. The certificate shall specify the exact amount of tax credit
21 under this chapter that an eligible business may claim.

22 IV. "Department" means the department of revenue administration.

23 V. "Eligible business" means a small business as defined under this section.

24 VI. "Excluded organization" means:

25 (a) An organization described in subsections 4, 5, or 6 of section 501(c) of the United
26 States Internal Revenue Code;

27 (b) A political organization as defined in section 527(e) of the United States Internal
28 Revenue Code;

29 (c) Any organizations that received more than \$25,000, in the aggregate, from
30 organizations described in subparagraph (a) or (b);

31 (d) A publicly-traded company that reported at least \$1,000,000,000 in revenue, in the
32 aggregate, during the immediately preceding 4 quarters; or

33 (e) An organization that is a subsidiary of, or at least 5 percent owned by, organizations
34 described in subparagraph (d).

35 VII. "Local news journalist" means any resident of this state who regularly gathers,
36 prepares, produces, collects, edits, photographs, records, directs the recording of, writes, presents,

1 broadcasts, prints, publishes, or reports news or information that concerns local or current events of
2 this state, or of a county, city, town, village, or unincorporated place therein.

3 VIII. "Local newspaper" means a print or digital publication that:

4 (a) Publishes news content that is primarily focused on local or current events of this
5 state, or of a county, city, town, village, or unincorporated place therein, otherwise known as such
6 local newspaper's primary coverage area;

7 (b) Employs at least one full-time local news journalist that resides in, or within 50
8 miles of, the publication's primary coverage area;

9 (c) Publishes and distributes local news content not less frequently than once per week,
10 and has done so continuously for the preceding 12-month period;

11 (d) Carries valid libel or medial liability insurance; and

12 (e) For a local newspaper that distributes in only a digital format:

13 (1) Earned revenue of at least \$100,000 in the preceding taxable year; and

14 (2) Derives at least 33.33 percent of its audience, averaged over the preceding 12-
15 month period, from its primary coverage area.

16 VIII-a. For the purposes of this chapter, a print or digital publication shall not be considered
17 a local newspaper or broadcast media business if such publication is:

18 (a) Distributed or made available primarily for advertising or entertainment purposes;

19 or

20 (b) Majority owned by, or derives at least 50 percent of its revenue from, excluded
21 organizations.

22 IX. "Qualified local media advertising expenses" means amounts paid or incurred in the
23 ordinary course of a trade or business for advertising or underwriting using a product, service, or
24 other offering that is fully owned and operated by a local newspaper, broadcast media business, or
25 nonprofit organization. For the purposes of this section, advertising distributed in a programmatic
26 fashion in a digital format shall not be considered qualified local media advertising expenses.

27 X. "Small business" means 10 employees or fewer and shall be deemed to be one which is
28 resident in this state, independently owned and operated and not dominant in its field.

29 77-H:2 Application and Approval Process.

30 I. An eligible business shall submit a complete application as prescribed by the
31 commissioner of the department.

32 II. The commissioner shall establish procedures and a timeframe for eligible businesses to
33 submit applications. As part of the application, each eligible business shall:

34 (a) Provide evidence in a form and manner prescribed by the commissioner of their
35 status as an eligible business;

36 (b) Agree to allow the department of taxation and finance to share the eligible business's
37 tax information with the department;

1 (c) Agree to allow the department of labor to share its tax and employer information
2 with the department provided, however, any information shared as a result of this program shall not
3 be available for disclosure or inspection under state freedom of information laws;

4 (d) Allow the department and its agents access to any and all books and records the
5 department may require to monitor compliance; and

6 (e) Agree to provide any additional information required by the department relevant
7 to this section.

8 III. After reviewing an eligible business's completed final application and determining that
9 such eligible business meets the eligibility criteria as set forth in this section, the department may
10 issue to such eligible business a certificate of tax credit. An eligible business may claim such tax
11 credit.

12 77-H:3 Local Newspaper and Broadcast Media Business Advertising Tax Credit.

13 I. An eligible business that meets the eligibility requirements of this chapter, and meets any
14 additional eligibility criteria as prescribed by regulations established pursuant to this section, may
15 be eligible to claim a credit equaling 80 percent of such eligible business's expenditures towards
16 qualified local media advertising expenses, up to \$3,000. Such expenditures towards qualified local
17 media advertising expenses used to calculate such credit shall not exceed \$500,000.

18 II. The total amount of tax credits listed on certificates of tax credit issued by the
19 commissioner pursuant to this section shall not exceed \$5,000,000 for each year the credit is
20 available per eligible business for the taxable year. Allocations may be utilized across the above
21 referenced businesses should either be under-allocated.

22 III. The tax credit shall be allowed as provided in RSA 77-A:5, XVIII and 77-E:15.

23 77-H:4 Powers and Duties of the Commissioner.

24 I. The commissioner shall promulgate regulations establishing an application process and
25 eligibility criteria, that will be applied consistent with the purposes of this article, so as not to exceed
26 the annual cap on tax credits set forth in this section which, notwithstanding any provisions to the
27 contrary in the state administrative procedure act, may be adopted on an emergency basis.

28 II. The commissioner shall develop a certificate of tax credit that shall be issued by the
29 commissioner to eligible businesses.

30 III. The commissioner shall determine the eligibility of any applicant applying for such tax
31 credit.

32 77-H:5 Eligibility and Recapture.

33 I. A taxpayer that is a partner in a partnership, member of a limited liability company, or
34 shareholder in a corporation shall be allowed its pro rata share of the credit allowed for the
35 partnership, limited liability company, or corporation. No cost or expense paid or incurred that is
36 included as part of the calculation of this credit shall be the basis of any other tax credit allowed
37 under this chapter.

1 II. To be eligible to claim the local advertisement tax credit, a taxpayer shall have been
2 issued a certificate of tax credit by the department pursuant to this chapter, which shall set forth the
3 amount of the credit that may be claimed for the taxable year. The taxpayer shall be allowed to
4 claim only the amount listed on the certificate of tax credit for that taxable year.

5 III. The taxpayer shall be required to attach to its tax return, in the form prescribed by the
6 commissioner, proof of receipt of its certificate of tax credit issued by the commissioner.

7 IV. If a certificate of tax credit issued by the department is revoked, the amount of credit
8 described in this chapter and claimed by the taxpayer prior to that revocation shall be added back to
9 tax in the taxable year in which any such revocation becomes final.

10 5 Applicability. This act shall apply to tax years beginning on or after January 1, 2027.

11 6 Prospective Repeal. The following shall be repealed:

12 I. RSA 77-A:5, XVIII, relative to the local advertisement tax credit.

13 II. RSA 77-E:15, relative to the local advertisement tax credit.

14 III. RSA 77-H, relative to the local advertisement tax credit.

15 7 Effective Date.

16 I. Section 6 of this act shall take effect January 1, 2030.

17 II. This remainder of this act shall take effect July 1, 2026.

HB 1420-FN- FISCAL NOTE
 AS INTRODUCED

AN ACT creating a temporary local newspaper advertisement tax credit.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

| Estimated State Impact | | | | |
|-------------------------------|---------------------------------------|----------------------------|----------------------------|----------------------------|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Revenue | \$0 | \$0 | Indeterminable Decrease | Indeterminable Decrease |
| <i>Revenue Fund(s)</i> | General Fund and Education Trust Fund | | | |
| Expenditures* | \$0 | Indeterminable Increase | Indeterminable Increase | Indeterminable Increase |
| <i>Funding Source(s)</i> | General Fund | | | |
| Appropriations* | \$0 | \$0 | \$0 | \$0 |
| <i>Funding Source(s)</i> | None | | | |

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill creates the Local Advertisement Tax Credit against the Business Profits Tax (BPT) and Business Enterprise Tax (BET) as an incentive for small businesses to use local newspapers and broadcast media business for their advertising in tax years 2027 through 2029.

The Department of Revenue Administration states this bill will result in an indeterminable decrease in General Fund and Education Trust Fund revenue beginning in FY 2028. The Department states further clarification is needed to administer this bill as well as to project a fiscal impact:

- businesses would be entitled to the credit within capped amounts, however it is unclear of how the caps are intended to be applied.
- the bill would allow the credit to be used against both taxes, and would not be “cascading,” meaning that if the credit is first used towards BET, the credit would reduce the BET credit available for application to the BPT. If the intent is to not reduce the BET credit against the BPT, language should be added to the BET portion of the bill clarifying that the credit applied to the BET is still considered taxes paid under RSA 77-E.
- the credit would not be carried forward, but credit amounts in excess of the tax liability would be treated as an overpayment subject to refund. The Department would be unable

to process such refunds unless a source account containing funds available for this purpose was created and funded.

- the bill as currently drafted with the prospective repeal could be read to eliminate the use of credits in the year following the final year of the program in which credits are earned and awarded.

The Department states this program would likely result in additional administrative costs that could not be absorbed by the Department. The Department would be responsible for creating rules, developing and updating its forms, and updating its systems to allow for administration of this program. It would also be responsible for administering eligibility requirements with respect to the local newspapers and broadcast media businesses. This work would not be possible during the usual window for making determinations on applications and would probably require early screening of media firms to determine their own eligibility, prior to receipt of tax credit applications. The Department is unable to estimate the increased administrative costs of this activity without a better understanding of the intent of the legislation with respect to eligibility determinations.

AGENCIES CONTACTED:

Department of Revenue Administration