

HB 1474-FN - AS INTRODUCED

2026 SESSION

26-2959

04/09

HOUSE BILL **1474-FN**

AN ACT relative to the formula of distribution of revenue from the meals and rooms tax.

SPONSORS: Rep. D. McGuire, Merr. 14; Rep. Pauer, Hills. 36; Rep. Spilsbury, Sull. 3; Rep. Cole, Hills. 26; Rep. Layon, Rock. 13; Rep. Aures, Merr. 13; Rep. Ohm, Hills. 10; Rep. S. Smith, Sull. 3; Sen. Murphy, Dist 16; Sen. Rosenwald, Dist 13; Sen. Sullivan, Dist 18; Sen. Birdsell, Dist 19

COMMITTEE: Ways and Means

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ANALYSIS

This bill establishes a framework for distributing a portion of New Hampshire's meals and rooms tax revenue to municipalities based on relative fiscal capacity.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 relative to the formula of distribution of revenue from the meals and rooms tax.

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

1 1 New Sections; Meals and Rooms Municipal Revenue Fund Established. Amend RSA 78-A by  
2 inserting after section 26 the following new sections:

3 78-A:27 Meals and Rooms Municipal Revenue Fund Established. There is hereby established in  
4 the treasury the meals and rooms municipal revenue fund. Any money deposited into the meals and  
5 rooms municipal revenue fund shall be nonlapsing and continually appropriated to the state  
6 treasurer for distribution to the unincorporated towns, unorganized places, towns, and cities  
7 pursuant to RSA 78-A:28.

8 78-A:28 Meals and Rooms Municipal Revenue Fund. On or before December 1, 2026, and each  
9 December 1 thereafter, 30 percent of the net income determined under RSA 78-A:26, I of the most  
10 recent fiscal year, after deductions for the cost of administration and revenues deposited in the  
11 education trust fund pursuant to RSA 78-A:26, II, shall be deposited into the meals and rooms  
12 municipal revenue fund established pursuant to RSA 78-A:27 for distribution to the unincorporated  
13 towns, unorganized places, towns, and cities.

14 78-A:29 Meals and Rooms Municipal Revenue Fund Distribution Formula.

15 I. The amount to be distributed to each such town, place, or city from the meals and rooms  
16 municipal revenue fund shall be determined based on the most recent community population  
17 estimates adjusted by removing those living in property tax exempt housing including on-campus  
18 college housing, prisons, jails and similar institutions, county nursing homes and not for profit  
19 nursing homes, and the most recent equalized property values per community.

20 II. The state treasurer shall calculate the average equalized property value per adjusted  
21 population and distribute funds to each such town, place, or city with an average equalized property  
22 value per adjusted population equal to or lesser than \$500,000 as follows:

23 (a) For each town, place, or city, the state treasurer shall calculate a factor by  
24 subtracting the average equalized property value per adjusted population from \$500,000 and then  
25 dividing said sum by \$200,000.

26 (b) The factor calculated pursuant to subparagraph (a) shall then be multiplied against  
27 the adjusted population of each town, place, or city to arrive at a population factor.

28 (c) Distributions shall then be determined by multiplying the population factor  
29 calculated pursuant to subparagraph (b) against the result of the total distribution calculated  
30 pursuant to RSA 78-A:28 as divided by the sum of all population factors.

31 2 Application of Receipts. Amend RSA 6:12, I(b)(369) to read as follows:

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1                   (369) Moneys deposited in the meals and rooms municipal revenue fund established  
2 in RSA [~~78-A:26, IV~~] **78-A:27**.

3           3 Repeal. The following are repealed:

4           I. RSA 78-A:26, III and IV, relative to the disposition of meals and rooms tax revenue.

5           II. RSA 198:39, II(i), relative to the school portion of any revenue sharing funds apportioned  
6 to school districts in the property tax rate calculations.

7           4 Effective Date. This act shall take effect July 1, 2026.

**HB 1474-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to the formula of distribution of revenue from the meals and rooms tax.

**FISCAL IMPACT:**

This bill does not impact the amount of Meals and Rooms (M&R) tax revenue remitted back to the state or the amount distributed from the M&R Municipal Revenue Fund. However, the bill does alter the amount individual municipalities may receive from the M&R Municipal Revenue Fund by using a more complex apportionment based on a population factor and excluding locations with an average equalized property value per adjusted population greater than \$500,000.

The formula to calculate the M&R distribution to each town, place or city would be:

$$\frac{\$500,000 - \text{ave. equalized property value per adjusted population}}{\$200,000} \times \text{adjusted population factor}$$

Determining each location's adjusted population would require excluding those living in property tax exempt housing including on-campus college housing, prisons, jails and other similar institutions, county nursing homes and not for profit nursing homes. The Treasury Department indicates it would be able to obtain the adjusted population data from the Department of Business and Economic Affairs.

The Treasury Department would not be able to calculate the distribution of the M&R Municipal Revenue as the average equalized property value is not available. The Treasury Department confirmed with the Department of Revenue Administration that **total equalized values** by municipality, **not average equalized values**, is available.

**AGENCIES CONTACTED:**

Department of Revenue Administration and Treasury Department