

HB 1599-FN - AS INTRODUCED

2026 SESSION

26-3187

04/09

HOUSE BILL ***1599-FN***

AN ACT allowing net operating losses to be carried forward in perpetuity following a loss year.

SPONSORS: Rep. Janigian, Rock. 25; Rep. Aures, Merr. 13; Rep. Ulery, Hills. 13; Sen. Abbas, Dist 22; Sen. Lang, Dist 2

COMMITTEE: Ways and Means

ANALYSIS

This bill removes the 10 year limitation on net operation loss deductions.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 allowing net operating losses to be carried forward in perpetuity following a loss year.

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

1 1 Additions and Deductions; Net Operating Loss Deductions. Amend the introductory
2 paragraph of RSA 77-A:4, XIII to read as follows:

3 XIII. A deduction for the amount of the net operating loss carryover determined under
4 section 172 of the United States Internal Revenue Code apportioned in the year incurred according
5 to RSA 77-A:3. A net operating loss shall only be apportioned in the year incurred and not in the
6 subsequent years it adjusts gross business profits. Net operating losses may [~~only~~] be carried
7 forward for [~~the 10~~] years following the loss year. For taxable periods ending:

8 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1599-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT allowing net operating losses to be carried forward in perpetuity following a loss year.

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	Indeterminable Decrease		
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
Expenditures*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			
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 removes the 10-year limitation on the carryforward of net operating loss deductions (NOLDs) for Business Profits Tax (BPT) purposes. It would allow NOLDs to be carried forward indefinitely, aligning with federal provisions under Section 172 of the Internal Revenue Code.

The Department of Revenue Administration (DRA) anticipates this bill will result in an indeterminable decrease in state revenues. The fiscal impact is difficult to quantify due to the uncertainty of future taxpayer liabilities, specifically, whether and when businesses will have sufficient profits to utilize carried-forward losses. The DRA notes that there are no new administrative costs that would impact the Department.

The DRA reviewed return data and found that approximately \$4.2 billion in NOLDs from tax year 2012 expired in 2022. At a 7.5% tax rate, those losses could have offset up to \$316.2 million in BPT revenue, had they been used. The actual impact depends on whether taxpayers with those losses had sufficient profits in later years to apply them. For tax year 2023, the NOLDs actually used was \$1.2 billion, offsetting \$88.5 million in revenue.

It is assumed that any fiscal impact would occur after FY 2026.

AGENCIES CONTACTED:

Department of Revenue Administration