

CHAPTER 227
HB 1433-FN - FINAL VERSION

5Mar2026... 0828h
4Jun2026... 2142EBA

2026 SESSION

26-2277
07/05

HOUSE BILL ***1433-FN***

AN ACT creating a child care tax credit for qualifying businesses.

SPONSORS: Rep. Kuttub, Rock. 17; Rep. Drye, Sull. 7; Rep. Janigian, Rock. 25; Rep. Mary Murphy, Hills. 27; Rep. Mooney, Hills. 12; Rep. Schamberg, Merr. 6; Rep. D. Paige, Carr. 1; Rep. Rice, Hills. 38; Rep. Ohm, Hills. 10; Rep. L. Walsh, Rock. 15; Sen. Ricciardi, Dist 9; Sen. Reardon, Dist 15; Sen. Birdsell, Dist 19; Sen. Sullivan, Dist 18

COMMITTEE: Ways and Means

ANALYSIS

This bill creates a child care tax credit for qualifying businesses.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT creating a child care tax credit for qualifying businesses.

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

1 227:1 Statement of Purpose. The general court finds that:

2 I. The availability of reliable child care is critical for parents to remain in the work force, and that
3 there is a shortage of child care available to working parents in New Hampshire.

4 II. It is in the interest of this state to stimulate the creation and expansion of child care programs
5 by providing an incentive to businesses in the form of a tax credit.

6 III. The department of revenue administration should administer a new tax credit for businesses
7 that provide additional child care opportunities.

8 227:2 New Chapter; Child Day Care Creation Tax Credit. Amend RSA by inserting after chapter 162-
9 V the following new chapter:

CHAPTER 162-W

CHILD DAY CARE CREATION TAX CREDIT

12 162-W:1 Short Title. This chapter may be known and cited as "The Child Day Care Creation Tax
13 Credit Program."

14 162-W:2 Definitions. In this chapter:

15 I. "Child care program" shall have the same meaning as group child day care center under RSA
16 170-E:2, IV(c).

17 II. "Creates child care" means making available child care seats in a New Hampshire-licensed
18 child care program by a business entity, either directly or through a third-party, where such child care
19 program was not available prior to January 1, 2027.

20 III. "Expands child care" means the increase in the number of child care seats in a child care
21 program made available by a business entity, either directly or through a third party, provided that such
22 increase provides 12 or more seats that were not available prior to January 1, 2027.

23 IV. "Operational expenditures" means the operating expenses of a qualified childcare facility,
24 including employee compensation, expenses for training of employees, utilities, rent, and other ordinary
25 business operating expenses.

26 162-W:3 Child Care Creation Tax Credit Established.

27 I. There shall be allowed a child care creation tax credit for eligible businesses, pursuant to this
28 section, for qualifying expenditures made during a taxable year as follows:

29 (a) Expenditures in acquiring, constructing, rehabilitating, renovating, or expanding property
30 to create child care or expand child care; and

31 (b) Operational expenditures for the first 2 years of a new child care facility, or for existing
32 facilities, the increased operational expenditures as calculated compared towards the difference between

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1 current year's operational expenditures and that of the average yearly expenditures over the period of the
2 2 years prior. Allowable operational expenditures shall exclude expenditures not directly related to the
3 new or expanded seats, such as the addition of new programs or services.

4 II. A business may claim a credit equal to 50 percent of its total claimed expenditures in
5 subparagraphs I(a) and (b) against its business profits taxes due under RSA 77-A, against its business
6 enterprise taxes due under RSA 77-E, or apportioned against each, provided the total credits granted
7 shall not exceed 50 percent of the businesses' total claimed expenditures under subparagraphs I(a) and
8 (b). The credit applied to the business enterprise taxes due under RSA 77-E shall still be considered
9 taxes paid under RSA 77-E.

10 III. Unused portions of the credit allowed under this section may be carried forward for 4
11 successive years if the amount allowable as a credit exceeds the businesses' tax liability in a tax year.

12 IV. A business which operates, or contracts for the operation of, a child care program through a
13 third party for the primary purpose of providing child care services to its employees may apportion the
14 available credit in a manner of its choosing, but shall be required to file a joint application with the
15 department of revenue administration in doing so.

16 V. The commissioner of the department of revenue administration shall adopt rules, pursuant to
17 RSA 541-A, relative to administration of the child care creation tax credit established under this section.
18 Such rules shall include regulations or procedures regarding:

19 (a) The application procedure for how a business may apply for a tax credit under this
20 section.

21 (b) The design and content of the form or forms required to be filed with the department
22 under this section. The form or forms required to be filed shall contain, at a minimum:

23 (1) The business's name, address, and federal taxpayer identification number.

24 (2) A contact person's name, title, and phone number.

25 (3) A signed statement that the business has met the eligibility requirements for the child
26 care tax credit, and will comply with the provisions of this chapter.

27 (c) Verifying eligible expenses made by a child care program, including requiring a basic
28 schedule of expenses that would be further examined during the audit process.

29 (d) Verifying with the department of health and human services that a child care program was
30 duly licensed.

31 (e) Filing and record keeping requirements.

32 (f) Posting to the department's website an up-to-date total of the amount of credits available.

33 VI. The aggregate of tax credits issued by the commissioner to all taxpayers claiming the credit
34 shall not exceed \$5,000,000 for any state fiscal year. Applications are to be processed by the
35 commissioner in the order received. Applications received by the department in excess of \$5,000,000 in
36 any state fiscal year shall not be eligible for credit in such fiscal year but may be carried forward to the
37 next succeeding fiscal year or years and shall be given priority in determining the total contributions
38 eligible for credit in such fiscal year.

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VII. The department of revenue administration shall approve or deny an application for a credit made under this section within 60 days of receipt. The department shall deny any application that fails to meet the requirements of this chapter and shall notify the business of its reason or reasons for denial.

162-W:4 Eligibility Criteria.

I. To be eligible for a tax credit under this chapter, a business entity shall:

(a) Create or expand child care seats, either directly or through a third party, on or after January 1, 2027;

(b) Submit a satisfactory child care creation tax credit application to the department of revenue administration.

227:3 New Paragraph; Taxation; Business Profits Tax; Child Day Care Tax Credit. Amend RSA 77-A:5 by inserting after paragraph XVII the following new paragraph:

XVIII. There shall be allowed a child day care creation tax credit, in accordance with RSA 162-W, against the tax due under this chapter, for any unused portion of credit that has not been applied to the taxes due under RSA 77-E.

227:4 New Section; Taxation; Business Enterprise Tax; Child Day Care Tax Credit. Amend RSA 77-E by inserting after section 3-f the following new section:

77-E:3-g Child Day Care Creation Tax Credit. There shall be allowed a child day care creation tax credit, in accordance with RSA 162-W, against the tax due under this chapter, for any unused portion of credit that has not been applied to the taxes due under RSA 77-A.

227:5 Applicability. This act shall apply to taxable periods ending on or after December 31, 2027.

227:6 Effective Date. This act shall take effect July 1, 2026.

Approved: July 02, 2026
Effective Date: July 01, 2026

