

HB 517-FN - AS INTRODUCED

2025 SESSION

25-0694

05/11

HOUSE BILL **517-FN**

AN ACT repealing the Granite State paid family leave plan.

SPONSORS: Rep. Turcotte, Straf. 4; Rep. Prout, Hills. 13; Rep. Verville, Rock. 2; Rep. McFarlane, Graf. 18; Rep. Layon, Rock. 13; Rep. Perez, Rock. 16; Rep. Sirois, Hills. 32; Rep. Bernardy, Rock. 36; Rep. Seaworth, Merr. 12; Rep. Osborne, Rock. 2

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill repeals the Granite State paid family leave plan.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT repealing the Granite State paid family leave plan.

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

1 1 Standards for Accident and Health Insurance; Reference Removed. Amend RSA 415-A:1, I to
2 read as follows:

3 I. "Accident and health insurance" means insurance written under RSA 415, [~~RSA 21-I:99-~~
4 ~~21-I:111, RSA 282-B,~~] and coverages written under RSA 415-E, RSA 420-A, RSA 420-B, and RSA
5 420-C. For purposes of this chapter, multiple-employer welfare arrangements, nonprofit health
6 service corporations, health maintenance organizations, and preferred provider agreements subject
7 to RSA 420-C shall be deemed to be engaged in the business of insurance.

8 2 Standards for Accident and Health Insurance; Reference Removed. Amend RSA 415-A:1, II to
9 read as follows:

10 II. "Form" means policies, contracts, riders, endorsements, and applications as provided in
11 RSA 415, [~~RSA 21-I:99-21-I:111, RSA 282-B,~~] RSA 415-E, RSA 420-A, RSA 420-B, and RSA 420-C.

12 3 Repeal. The following are repealed:

13 I. RSA 6:12, II(b)(374) and (375), relative to the FMLI premium fund and the FMLI
14 premium stabilization trust fund established in RSA 282-B.

15 II. RSA 21-I:99 - 21-I:111 and the subdivision heading preceeding RSA 21-I:99, relative to
16 the Granite State paid family leave plan.

17 III. RSA 77-E:3-e, relative to the Granite State paid family leave plan tax credit under the
18 business enterprise tax.

19 IV. RSA 275:37-d, relative to employment protections for employees who take family medical
20 leave.

21 V. RSA 282-B, relative to the purchasing pool for family and medical leave insurance.

22 VI. RSA 400-A:32, relative to deposit of taxes imposed on FMLI premiums imposed on
23 premiums written by duly authorized insurance companies for family and medical leave insurance.

24 4 Effective Date. This act shall take effect 60 days after its passage.

**HB 517-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT repealing the Granite State paid family leave plan.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
Expenditures*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	General Fund, Highway Fund, and Various Agency Funds			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	\$0	\$0	\$0
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	\$0	\$0	\$0

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill, as introduced, as it is awaiting information from the Department of Administrative Services and NH Employment Security. The Departments were originally contacted on 12/16/24 for a fiscal note worksheet. When completed, a revised fiscal note will be forwarded to the House Clerk's Office

METHODOLOGY:

This bill repeals the Granite State Paid Family Leave Plan insurance enacted in the 2021 legislative session and was effective July 1, 2021. By repealing the Granite State Paid Family Leave Plan this would also remove the Business Enterprise Tax (BET) credit for the Plan which was a credit equal to the amount of 50% of the premium paid by a sponsoring employer for family and medical leave insurance coverage offered to employees pursuant to RSA 21-I:103.

The Department of Revenue Administration (DRA) states by repealing the Granite State Paid Family Leave Plan and applicable statutes it will increase BET revenues by an indeterminable amount as there will no longer be a Granite State Paid Family Leave Plan tax credit to be used against the BET. The Granite State Paid Family Leave Plan insurance became available to private employers on January 1, 2023. The associated tax credit applies to the taxable year when premiums are paid, starting with TY 2023. As a result, credits first appeared in FY 2024, reflecting only a partial year.

Due to the bill's effective date (60 days after passage) and its applicability to taxable periods ending on or after December 31, 2026, no fiscal impact is expected for FY 2025 or FY 2026, as premiums for TY 2024 and TY 2025 will have already been paid. The earliest fiscal impact is expected with TY 2026 returns, filed in FY 2027 and FY 2028. The repeal of the BET credit is projected to increase revenue to the General and Education Trust Funds, but the DRA cannot estimate the amount due to limited data from a single plan year.

AGENCIES CONTACTED:

Department of Revenue Administration, Department of Administrative Services and New Hampshire Employment Security