

# Senate Judiciary Committee

*Pete Mulvey 271-4063*

**HB 88-FN**, establishing community property trusts.

**Hearing Date:** April 22, 2025

**Time Opened:** 3:36 p.m.

**Time Closed:** 3:41 p.m.

**Members of the Committee Present:** Senators Gannon, Abbas, Altschiller and Reardon

**Members of the Committee Absent :** Senator McConkey

**Bill Analysis:** This bill allows community property trusts to be formed in New Hampshire.

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**Sponsors:**

Rep. D. McGuire

Rep. Hunt

Rep. Lynn

Rep. Ammon

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**Who supports the bill:** Dan McGuire, and Daniel Richardson.

**Who opposes the bill:** Kate Horgan and Patti Anastasia.

**Who is neutral on the bill:** Glenn Perlow.

**Summary of testimony:**

**Representative Dan McGuire**

**Merrimack- District 14**

- HB 88-FN is a bill relative to establishing community property trusts.
- Representative McGuire stated that the main point of the amendment which the House passed for HB 88 was to remove the fiscal note.
- HB 88 added an estate planning tool to families' toolkits to help them save on federal income tax.
- Rep. McGuire stated that HB 88 was already law in other states which didn't have a state income tax.
- He suggested that passage of the bill would not affect the State's finances in any way because New Hampshire also did not have a state income tax so it would only apply to the federal income tax.
- HB 88 allows spouses to hold property as communal property rather than joint property as stands now.

- Community property has one big advantage over joint property and that is that the marriage owns the property and if a spouse dies, the living spouse inherits the property at that time and has a step up in basis.
- HB 88 would allow families to avoid paying capital gains tax in the event of a family death because the property would be transferred under the value it holds at the time of transfer rather than at the time of original purchase.
- Rep. McGuire noted that community property trusts would be completely optional and only beneficial.

PM

Date Hearing Report completed: April 24, 2025