

Amendment to HB 1433-FN

1 Amend RSA 162-V:2 - V:3 as inserted by section 2 of the bill by replacing it with the following:

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3 162-V:2 Definitions. In this chapter:

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

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

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

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

15 162-V:3 Child Care Creation Tax Credit Established.

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

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

20 (b) Operational expenditures for the first 2 years of a new child care facility, or for
21 existing facilities, the increased operational expenditures as calculated compared towards the
22 difference between current year's operational expenditures and that of the average yearly
23 expenditures over the period of the 2 years prior. Allowable operational expenditures shall exclude
24 expenditures not directly related to the new or expanded seats, such as the addition of new programs
25 or services.

26 II. A business may claim a credit equal to 50 percent of its total claimed expenditures in (a)
27 and (b) against its business profits taxes due under RSA 77-A, against its business enterprise taxes
28 due under RSA 77-E, or apportioned against each, provided the total credits granted shall not exceed
29 50 percent of the businesses' total claimed expenditures under paragraph I(a) and I(b). The credit
30 applied to the business enterprise taxes due under RSA 77-E shall still be considered taxes paid
31 under RSA 77-E.

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

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

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

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

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

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

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

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

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

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

23 (e) Filing and record keeping requirements.

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

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

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

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37 Amend the bill by replacing section 5 with the following:

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1 5 Applicability. This act shall apply to taxable periods ending on or after December 31, 2027.