

Amendment to SB 654-FN

1 Amend the bill by replacing all after the enacting clause with the following:

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3 1 New Paragraphs; Business Profits Tax; Credits. Amend RSA 77-A:5 by inserting after
4 paragraph XVII the following new paragraphs:

5 XVIII. There shall be allowed an on-site child care services tax credit for eligible businesses,
6 according to the following:

7 (a) The credit shall be equal to 20 percent of qualifying expenditures, as defined in 26
8 U.S.C. section 45F, tied to operating or contracting for on-site or nearby child care services for
9 employees, up to \$100,000 per fiscal year.

10 (b) An eligible business shall have its child care service facility for its employees housed
11 within the business' main building, inside a shared building where both the business and child care
12 facility are located, or in separate buildings within the same office or industrial park, or within 1/4 of
13 a mile of the above.

14 (c) Unused tax credits may be carried forward for up to 4 years. Older credits shall be
15 utilized first.

16 (d) A business that receives a credit under this paragraph shall be required to pay any
17 tax not paid due to credits received if it closes an on-site child care facility within 3 years of receiving
18 a credit and continues to maintain its primary business operations at the same address no later than
19 the tax year following the closure.

20 (e) The department of health and human services and the department of revenue
21 administration may share information about facility closures without waiving any other applicable
22 confidentiality rules or requirements.

23 (f) Upon written request made prior to the filing of the applicable tax return, the
24 commissioner may waive the repayment of tax not paid due to credits in circumstances where a child
25 care facility is closed due to no fault of the business that received the credits or due to circumstances
26 beyond the control of the business that received the credit. Factors which the department should
27 consider in determining whether to waive the repayment obligation shall include the duration of the
28 closure if temporary, the reason for the closure as stated by the requestor, and the impact of the
29 closure upon the employees.

30 (g) Businesses that share a group child day care center may jointly claim the on-site
31 child care services tax credit under this paragraph. A joint application shall include a qualifying
32 contractual agreement of the use of the shared facility to the department prior to claiming the credit

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1 under this paragraph. A qualifying contractual agreement shall include clauses regarding credit
2 recapture in cases of contract dissolution or the cessation of child care facility services.

3 (h) Taxpayers shall apply for the tax credit on forms provided by the commissioner and
4 applications shall be accompanied by information or records required by the commissioner.
5 Applications shall be processed in the order received, and shall be approved or denied within 60 days
6 of receipt. If an application is denied, the commissioner shall notify the taxpayer of the reason or
7 reasons for the denial.

8 (i) The aggregate of all on-site child care services tax credits issued by the commissioner
9 shall not exceed \$2,500,000 in any state fiscal year. Applications received in a fiscal year that exceed
10 the aggregate limit for that year may be considered and granted for the succeeding fiscal year or
11 years and shall receive priority over subsequently filed applications in applying the aggregate cap for
12 that fiscal year.

13 (j) The department may adopt rules pursuant to RSA 541-A regarding the procedure for
14 applying for the credit and the procedure for applying for waiver of the repayment obligation.

15 XIX. There shall be allowed a "parent hours" tax credit, according to the following:

16 (a) The credit shall be equal to 20 percent of the employer's cost of health care benefits
17 conferred to each parent hours employee, up to \$10,000 per year per employee.

18 (b) As used in subparagraph (a), "parent hours employee" means an employee with at
19 least one dependent child whose working hours fall entirely between 9:00 a.m. and 3:00 p.m. on
20 weekdays.

21 (c) Any costs of health care benefits included as a qualifying expenditure for purposes of
22 the on-site child care tax credit under paragraph XVIII shall be ineligible for the parent hours tax
23 credit.

24 2 Appropriation; Department of Revenue Administration. There is hereby appropriated to the
25 department of revenue administration the sum of \$40,000 for the fiscal year ending June 30, 2028,
26 for the purpose of making internal improvements and system upgrades to the department's revenue
27 information management system. The governor is authorized to draw a warrant for said sums out of
28 any money in the treasury not otherwise appropriated.

29 3 Applicability. Section 1 of this act shall apply to taxable periods beginning on or after
30 December 31, 2027.

31 4 Effective Date. This act shall take effect July 1, 2027.

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AMENDED ANALYSIS

This bill creates tax credits against the business profits tax for businesses that have on-site child care services and for businesses that provide health care coverage for certain employees. This bill also makes an appropriation to the department of revenue administration for improvements and system upgrades to the revenue information management system.