

HB 1063-FN - AS INTRODUCED

2026 SESSION

26-2292

07/06

HOUSE BILL ***1063-FN***

AN ACT reducing the amount of meals and rooms taxes operators can retain.

SPONSORS: Rep. Petrigno, Hills. 43; Rep. Oppel, Graf. 9; Rep. Cahill, Rock. 10; Rep. Veilleux,
Hills. 34; Rep. Dargie, Hills. 43

COMMITTEE: Ways and Means

ANALYSIS

This bill reduces the amount of meals and rooms taxes operators can retain.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT reducing the amount of meals and rooms taxes operators can retain.

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

1 1 Taxation; Tax on Meals and Rooms; Collection of Tax. Amend RSA 78-A:7, III to read as
2 follows:

3 III. To compensate operators for keeping the prescribed records and the proper account and
4 remitting of taxes by them, operators are allowed to retain [3] **1.5** percent of the taxes due and to be
5 remitted if the return and payment are timely received by the department of revenue
6 administration, as provided in RSA 78-A:8, III.

7 2 Effective Date. This act shall take effect July 1, 2026.

**HB 1063-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT reducing the amount of meals and rooms taxes operators can retain.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund, M&R Municipal Revenue Fund			
Expenditures*	\$0	\$0	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	M&R Municipal Revenue Fund			
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 2026	FY 2027	FY 2028	FY 2029
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	\$0	\$0	\$0
Local Revenue	\$0	\$0	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill will decrease the Meals and Rooms (M&R) operator commission from 3% to 1.5% for returns that are timely and electronically filed with the Department of Revenue Administration.

The Department states this bill will result in an indeterminable increase in General Fund and Education Trust Fund revenue, increase in M&R Municipal Revenue Fund revenue and expenditures, and increase in revenue to municipalities. The Department is not able to estimate the exact fiscal impact as the Department does not know the total M&R revenue or the amount that will be retained by operators in future years. Using FY 2025 M&R data, the Department is able provide an estimated fiscal impact of this bill. In FY 2025, operators retained \$12.8 million in commission at 3%. If the operator commission had been the proposed 1.5%, approximately \$6.4 million would have been retained by operators, increasing M&R revenue to the state by \$6.4

million, of which \$6.3 million would have been General Fund revenue and \$0.1 million would have been Education Trust Fund revenue.

It should be noted that with an effective date of 7/1/26, the first month of the reduced operators commission retained would not be recognized until 8/15/26, as the M&R revenue is due by the 15th day of the month following the taxable period. As a result, the revenue increase in FY 2027, using the static analysis of FY 2025 data, would be approximately \$5.8 million (\$5.7 million in General Funds and \$0.1 million in Education Trust Funds). See table below.

Static Analysis Using FY2025 Decrease the M&R Operator Commission from 3.0% to 1.5% (\$ in millions)			
Fund	Current Law 3% Retained	Proposed Law 1.5% Retained	Fiscal Impact (Proposed Legislation Compared to Current Law)
FY2027			
General Fund	(\$11.3)	(\$5.6)	\$5.7
Education Trust Fund	(\$0.3)	(\$0.2)	\$0.1
Total	(\$11.6)	(\$5.8)	\$5.8
FY2028 and Forward			
General Fund	(\$12.5)	(\$6.2)	\$6.3
Education Trust Fund	(\$0.3)	(\$0.2)	\$0.1
Total	(\$12.8)	(\$6.4)	\$6.4

As a result of the increased General Fund revenue back to the state, the M&R Municipal Revenue Fund would experience an increase in revenue and expenditures beginning in FY 2028. The Department estimates the increase would be approximately \$1.7 million (\$5.7 million * 30%) in FY 2028 and \$1.8 million (\$6.3 million *30%) in FY 2029 and each year thereafter.

Due to the increased M&R Municipal Revenue Fund transfer, the net impact to the General Fund in FY 2028 would be a\$4.0 million increase (\$5.7 million less \$1.7 million to M&R Municipal Revenue Fund) and in FY 2029 and each year thereafter would be \$4.5 million increase (\$6.3 million less \$1.8 million to M&R Municipal Revenue Fund).

The Department is able to absorb any administrative costs that might be associated with the changes contained in this bill.

AGENCIES CONTACTED:

Department of Revenue Administration