

HB 1646-FN - AS INTRODUCED

2026 SESSION

26-3232

07/08

HOUSE BILL ***1646-FN***

AN ACT creating an off-site infrastructure improvement tax credit for the value of qualified off-site infrastructure improvements constructed or funded by business organizations that directly benefit the public.

SPONSORS: Rep. Sweeney, Rock. 25

COMMITTEE: Ways and Means

ANALYSIS

This bill creates an off-site infrastructure improvement tax credit for the value of qualified off-site infrastructure improvements constructed or funded by business organizations that directly benefit the public.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 creating an off-site infrastructure improvement tax credit for the value of qualified off-site infrastructure improvements constructed or funded by business organizations that directly benefit the public.

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

1 1 New Paragraph; Taxation; Business Profits Tax; Credits. Amend RSA 77-A:5 by inserting
2 after paragraph XVII the following new paragraph:

3 XVIII. There shall be allowed an off-site infrastructure improvement credit for the value of
4 qualified off-site infrastructure improvements constructed or funded by business organizations,
5 pursuant to municipal approval, that directly benefit the public.

6 (a) The credit shall not exceed the organization's tax liability in any given year.

7 (b) Any unused portions of the credit allowed under this section may be carried forward
8 for up to 20 years.

9 (c) The commissioner of the department of revenue administration shall adopt rules,
10 pursuant to RSA 541-A, relative to the documentation and verification of eligible improvements and
11 calculation of the credit allowed under this section.

12 2 Effective Date. This act shall take effect April 1, 2027.

**HB 1646-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT creating an off-site infrastructure improvement tax credit for the value of qualified off-site infrastructure improvements constructed or funded by business organizations that directly benefit the public.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	Indeterminable Decrease	Indeterminable Decrease
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
Expenditures*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			
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	Potential Indeterminable Decrease	Potential Indeterminable Decrease
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill creates a new credit against the Business Profits Tax (BPT) for the value of qualified off-site infrastructure improvements constructed or funded by business organizations that directly benefit the public. These improvements would need municipal approval.

The Department of Revenue Administration notes the following regarding this bill:

- the bill does not expound further on what improvements would be considered “qualified” and instructs Department to adopt rules relative to documentation and verification of eligible improvements and calculation of the credit. The Department would be unable to

do so without additional legislative guidance, as agencies may only make rules to implement laws and not as a substitute for legislation.

- the credit is not subject to any other caps, and as such the Department does not see a need for an application process with respect to the credit. Taxpayers would simply claim the credit on their returns, including any supporting documentation that might be required, and compliance with the statute would be determined in the course of the Department's ordinary audit activities.
- the bill does not indicate a taxable period in which the credit could first be claimed. The Department has assumed that the credit would first be available to tax year 2027 (i.e. to taxable periods ending on or after December 31, 2027) and suggests adding applicability language for clarity.

The Department states this bill will decrease General Fund and Education Trust Fund revenue by an indeterminable amount beginning in fiscal year 2028 and continuing each year thereafter.

It is also possible municipal expenditures could decrease if business organizations choose to fund infrastructure projects that would otherwise be paid for by municipalities.

The proposed legislation would not result in any additional administrative costs that could not be absorbed in the Department's operating budget.

AGENCIES CONTACTED:

Department of Revenue Administration