

HB 155-FN - VERSION ADOPTED BY BOTH BODIES

8Jan2026... 2983h
05/07/2026 1652s
05/07/2026 1754s
4Jun2026... 2088CofC

2025 SESSION

25-0504
07/05

HOUSE BILL **155-FN**

AN ACT relative to business enterprise tax returns and appropriating funds to the department of health and human services for licensed nursing facilities.

SPONSORS: Rep. Sweeney, Rock. 25; Rep. Alexander Jr., Hills. 29; Rep. Berry, Hills. 44; Rep. Osborne, Rock. 2

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill:

I. Raises the amount of income needed before businesses are required to file a business enterprise tax return with the department of revenue administration.

II. Appropriates funds to the department of health and human services for certain nursing facilities.

III. Reduces the rate of the business enterprise tax in the event of certain business tax revenue surpluses.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to business enterprise tax returns and appropriating funds to the department of health and human services for licensed nursing facilities.

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

1 1 Business Enterprise Tax; Returns. Amend RSA 77-E:5, I to read as follows:

2 I. Every business enterprise having gross business receipts in excess of [~~\$250,000~~] **\$400,000**
3 as defined by RSA 77-E:1, X, during the taxable period or the enterprise value tax base of which is
4 greater than [~~\$250,000~~] **\$400,000** shall, on or before the fifteenth day of the third month in the case
5 of enterprises required to file a United States partnership tax return, the fifteenth day of the fifth
6 month in the case of enterprises required to file a United States exempt organization return, and the
7 fifteenth day of the fourth month in the case of all other business enterprises, following expiration of
8 its taxable period, make a return to the commissioner. For tax years beginning January 1, [~~2015~~]
9 **2029**, the commissioner shall biennially adjust these threshold amounts rounding to the nearest
10 \$1,000 based on the 2-year (24-month) percentage change in the Consumer Price Index for All Urban
11 Consumers, Northeast Region as published by the Bureau of Labor Statistics, United States
12 Department of Labor using the amount published for the month of June in the year prior to the start
13 of the tax year. All returns shall be signed by the business enterprise or by its authorized
14 representative, subject to the pains and penalties of perjury and the penalties provided in RSA 21-
15 J:39.

16 2 Appropriation; Department of Health and Human Services. The sum of \$2,500,000 for the
17 biennium ending June 30, 2027, is hereby appropriated to the department of health and human
18 services for the purpose of supporting per-diem nursing facility rates paid out of 05-95-48-482010-
19 2152-504. All funds allocated to the department for this purpose shall be spent during the biennium.
20 The department is authorized to accept and expend any matching federal funds without prior
21 approval of the fiscal committee. The governor is authorized to draw a warrant out of any money in
22 the treasury not otherwise appropriated.

23 3 New Section; Business Enterprise Tax; Automatic Rate Reduction Upon Certified Business
24 Tax Surplus. Amend RSA 77-E by inserting after section 2 the following new section:

25 77-E:2-a Automatic Rate Reduction Upon Certified Business Tax Surplus.

26 I. In this section:

27 (a) "Combined business tax revenue" means the total unrestricted revenue received by
28 the state from the business profits tax under RSA 77-A and the business enterprise tax under RSA

1 77-E for a completed fiscal year, net of refunds, as reported in the audited annual comprehensive
2 financial report.

3 (b) "Combined business tax plan" means the sum of the final official revenue estimates
4 for the business profits tax and the business enterprise tax as adopted in the biennial operating
5 budget and any revisions enacted in statute prior to the close of the applicable fiscal year.

6 (c) "Business tax surplus" means the amount, if any, by which combined business tax
7 revenue exceeds the combined business tax plan for the same fiscal year.

8 II. Not later than December 31 following the close of each fiscal year, the legislative budget
9 assistant, based upon the audited annual comprehensive financial report prepared by the
10 department of administrative services and the official revenue reports issued by the department of
11 revenue administration, shall certify in writing to the governor, the speaker of the house of
12 representatives, the president of the senate, the chairs of the house ways and means, senate ways
13 and means, house finance, and senate finance committees, and the commissioner of the department
14 of revenue administration:

15 (a) The combined business tax revenue for the completed fiscal year;

16 (b) The combined business tax plan for the same fiscal year; and

17 (c) The business tax surplus, if any, calculated under this section.

18 III. For each full \$100,000,000 of business tax surplus certified under paragraph II, and
19 subject to the conditions and floor set forth in paragraphs IV through VI, the rate of tax imposed
20 under RSA 77-E:2 shall be reduced by 0.05 percentage points, effective for taxable periods beginning
21 on or after January 1 of the calendar year immediately following the calendar year in which the
22 certification is issued.

23 IV.(a) No rate reduction shall take effect under this section if any of the following conditions
24 are true at the close of the applicable fiscal year:

25 (1) The revenue stabilization reserve account established under RSA 9:13-e is below
26 its statutory cap;

27 (2) Combined general fund and education trust fund unrestricted revenue for the
28 applicable fiscal year is less than the official revenue plan for those funds; or

29 (3) Combined business tax revenue for the applicable fiscal year is less than
30 combined business tax revenue for the immediately preceding fiscal year.

31 (b) If any of these conditions causes a reduction to be suspended, the certified business
32 tax surplus shall carry forward and be applied in the next succeeding fiscal year in which none of
33 these conditions is true.

34 V. The rate of tax imposed under RSA 77-E:2 shall not be reduced below 0.25 percent by
35 operation of this section. Upon the rate reaching 0.25 percent, this section shall cease to operate,
36 and any further reduction in the rate shall require an affirmative enactment of the general court.

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1 VI. Not later than 60 days following each certification under paragraph II, the commissioner
2 of the department of revenue administration shall publish notice of any rate reduction taking effect
3 under this section and shall issue updated forms and guidance to taxpayers. Required updates to
4 administrative rules shall be exempt from the procedures in RSA 541-A to the extent necessary to
5 give timely effect to a rate reduction under this section.

6 4 Effective Date.

7 I. Section 2 of this act shall take effect June 30, 2026.

8 II. The remainder of this act shall take effect January 1, 2027.

HB 155-FN- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENTS #2026-1652s and #2026-1754s)

AN ACT relative to business enterprise tax returns and appropriating funds to the department of health and human services for licensed nursing facilities.

FISCAL IMPACT: This bill does not authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable Decrease	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*	\$2,500,000	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill increases the Business Enterprise Tax (BET) filing threshold to \$375,000 with Consumer Price Index adjustments every two years beginning January 1, 2029. The bill also appropriates \$2,500,000 to the Department of Health and Human Services for the purpose of supporting nursing home Medicaid per diem rate stabilization. These funds will be nonlapsing and shall be first drawn from Medicaid Enhancement Tax excess revenue and if not enough of this revenue is available, then General Funds shall be used.

The Department of Revenue Administration estimates the BET filing threshold would increase to \$316,000 for tax year 2027 under current law. This bill increases the filing threshold to \$375,000 for tax year 2027, with CPI adjustments every two years. The Department states the change in the BET filing threshold will impact approximately 3,500 tax filers and reduce General Fund and Education Trust Fund revenue by approximately \$2,500,000. However, this decrease would be partially offset by increased Business Profits Tax (BPT) revenue due to the unavailability of the BET credits against the BPT liability. The decrease would not be entirely offset as not all BET taxpayers have a BPT liability.

The Department of Health and Human Services (DHHS) states this bill provides a nonlapsing appropriation of \$2,500,000 to the DHHS for the purpose of supporting nursing home Medicaid per diem rate stabilization. The DHHS assumes nursing facilities would not receive any funds

until the rate period beginning on January 1, 2027 due to the rate setting methodology process and notice requirements. The DHHS does suggest the use of excess Medicaid Enhancement Tax revenue may conflict with RSA 167:64, the negotiated agreement with the New Hampshire hospitals. Additionally, the DHHS anticipates the extra funds may potentially result in some nursing facilities receiving Medicaid funds in excess of their usual and customary charges; federal and state regulations limit non-governmental nursing facilities to their customary charge.

AGENCIES CONTACTED:

Department of Revenue Administration and Department of Health and Human Services