**HB 596-FN - AS INTRODUCED**

2025 SESSION

25-0826
07/05

HOUSE BILL ***596-FN***

AN ACT relative to reporting requirements for entities that collect meals and rooms taxes.

SPONSORS: Rep. D. Paige, Carr. 1; Rep. Almy, Graf. 17; Sen. Perkins Kwoka, Dist 21; Sen. Rochefort, Dist 1

COMMITTEE: Ways and Means

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ANALYSIS

This bill requires the department of revenue administration to collect and report to cities and towns the amount of meals and room tax revenues collected in the city or town.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

25-0826
07/05

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to reporting requirements for entities that collect meals and rooms taxes.

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

1 New Subparagraph; Department of Revenue Administration; Confidentiality; Exclusions. Amend RSA 21-J:14, IV by inserting after subparagraph (d) the following new subparagraph:

(e) Disclosure of the total amount of revenue collected from the meals and rooms tax in each municipality with 10 or more operators, as defined under RSA 78-A:3, pursuant to RSA 78-A:19-a.

2 New Section; Tax on Meals and Rooms; Disclosure. Amend RSA 78-A by inserting after section 19 the following new section:

78-A:19-a Collection and Disclosure of Revenue Information. The department shall collect information about the revenue collected from the meals and rooms tax in each municipality necessary to determine the total amount of meals and rooms tax revenue collected in each municipality. The department shall make its determination of the total amount of meals and room tax revenue collected in a municipality.

3 Meals and Rooms Tax; Collection; Information Required. Amend RSA 78-A:7, II to read as follows:

II. Each operator shall keep books and records in a form acceptable to the department showing the amount of all taxes collected ***and the town or city in which such taxes were collected***. The operator shall pay the taxes over to the state as provided in this section. If the department believes that special action is necessary because payment of taxes collected may be in jeopardy, it may direct an operator to keep all taxes collected separate from any other funds. The department may require that the taxes be periodically deposited in a bank designated by the department, in an account in the name of the department. The department may withdraw these tax collections from the bank account and apply them to the payment of the taxes due from the operator. When an operator commingles tax money with money belonging to him, the claim of the state for the tax is traceable, is enforceable against all other claims and takes precedence over all other claims against the commingled funds. No taxes collected by an operator under this chapter may be sent outside the state without the written consent of the department.

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

LBA
25-0826
1/2/25

**HB 596-FN- FISCAL NOTE**
**AS INTRODUCED**

AN ACT relative to reporting requirements for entities that collect meals and rooms taxes.

**FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.**

| Estimated State Impact | | | | |
|---|---|---|---|---|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| **Revenue** | $0 | $0 | $0 | $0 |
| *Revenue Fund(s)* | None | | | |
| **Expenditures*** | $0 | $50,000 | $0 | $0 |
| *Funding Source(s)* | General Fund | | | |
| **Appropriations*** | $0 | $0 | $0 | $0 |
| *Funding Source(s)* | None | | | |

***Expenditure = Cost of bill** ***Appropriation = Authorized funding to cover cost of bill**

**METHODOLOGY:**

This bill changes how Meals and Rooms Tax (M&R) collection information is maintained and reported to the Department of Revenue Administration by tax filers. The information reported by tax filers will include the town or city in which the taxes are collected, require the Department to make a determination of the amount of M&R revenue attributable to each municipality and would amend RSA 21-J:14 to permit the Department to disclose such information as long as the amount to be disclosed is from a city or town with 10 or more operators. Though the Department made an assumption as to the intent of section 2 of the bill, the Department notes it would be helpful to clarify the intention.

Operators with multiple locations are generally required to obtain a license for each separate location. However, rental and room facilitators may obtain a single operator's license covering all rental or room facilitator business. Additionally, operators with multiple locations may receive written permission from the Department to file on a consolidated basis, designating one license number to be the master license number for the group. Consolidated filers provide the address for each member of the consolidated group when requesting to file on a consolidated basis and keep records sufficient to show the activity of each individual licensee, but currently report their receipts and tax on a consolidated basis. The Department currently reports M&R revenue by county, based upon the address of the consolidated filer.

To implement the proposed legislation, Department would need to modify rules, practices, procedures, and systems to require rental and room facilitators to obtain (or have their customers obtain) a license for each location and/or discontinue permitting consolidating filings. Alternatively, the Department could develop a new consolidated tax return form or schedule for these filers that requires reporting of the revenue attributed to each municipality in each month, as well as the number of operators in each municipality whose activity is being reported. The Department would additionally need to modify the Revenue Information Management System (RIMS) to appropriately capture and store the additional data in a way that could be queried and reported. The Department estimates a one-time general fund expenditure of $50,000 to complete the RIMS enhancements and forms updates for the additional reporting requirements.

**AGENCIES CONTACTED:**

Department of Revenue Administration