

SB 276-FN - AS INTRODUCED

2025 SESSION

25-1027  
07/05

SENATE BILL        **276-FN**

AN ACT            relative to raising the research and development tax credit.

SPONSORS:        Sen. Ward, Dist 8; Sen. Innis, Dist 7; Sen. McGough, Dist 11; Sen. Perkins  
                      Kwoka, Dist 21; Sen. Watters, Dist 4

COMMITTEE:      Ways and Means

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ANALYSIS

This bill:

- I. Raises the aggregate value of all research and development tax credits that can be claimed.
- II. Raises the hard cap on the research and development tax credit an entity can claim.

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                      Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

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

AN ACT relative to raising the research and development tax credit.

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

1 1 Taxation; Business Profits Tax; Credits. Amend RSA 77-A:5, XIII (a) to read as follows:

2 XIII.(a) There shall be allowed a research and development tax credit for qualified  
3 manufacturing research and development expenditures made or incurred during the fiscal year, as  
4 follows:

5 (1) The aggregate of tax credits issued by the commissioner to all taxpayers claiming  
6 the credit shall not exceed [~~\$7,000,000~~] **\$10,000,000** for any fiscal year.

7 (2) Each credit shall be used to offset the taxpayer's tax liability within the  
8 subsequent 5 tax years. The amount of the credit shall be the lesser of:

9 (A) Ten percent of the excess of the qualified manufacturing research and  
10 development expenses for the taxable year over the base amount;

11 (B) The proportional share of the maximum aggregate credit amount allowed in  
12 subparagraph (1);

13 (C) [~~\$50,000~~] **\$100,000**.

14 (3) Taxpayers shall apply for the tax credit on forms provided by the commissioner  
15 and shall be accompanied by information or records required by the commissioner. Such application  
16 shall be filed no later than June 30 following the tax year during which research and development  
17 occurred.

18 (4) A determination on the final amount of the credit awarded by the commissioner  
19 to each taxpayer claiming the credit shall be made no later than September 30 of each year.

20 (5) Wages for which a credit is taken under this paragraph shall not also be eligible  
21 for a credit under RSA 162-N.

22 2 Effective Date. This act shall take effect January 1, 2026.

**SB 276-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to increasing the research and development tax credit.

**FISCAL IMPACT:**

<b>Estimated State Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	\$0	Maximum Decrease of \$3,000,000	Indeterminable Decrease
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
<b>Expenditures*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			
<b>Appropriations*</b>	\$0	\$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 aggregate of Research and Development tax credits (R&D) to be claimed in any fiscal year from \$7,000,000 to \$10,000,000. The proposed legislation would also increase the maximum credit amount allowed per entity from \$50,000 to \$100,000. effective January 1, 2026. R&D tax credit applications must be received by June 30 following the tax year during which the research and development occurred. The Department assumes the proposed legislation is applicable to applications received by June 30, 2026 and suggests an effective date of July 1 to better align with the application period.

The increase in the R&D tax credit will decrease Business Enterprise Tax (BET) and Business Profits Tax (BPT) revenue by an indeterminable amount. This credit is first applied to the BPT and any unused portion of the credit is then applied to the BET. Additionally, the taxpayer is able to carry forward the R&D tax credit for up to 5 years. The Department is not able to determine when a credit would be claimed to predict the fiscal impact of this bill. The maximum impact in the first year is \$3,000,000 if the full amount of the tax credit increase is claimed, however any subsequent years are indeterminable as it is not known when carry forward credits would be used.

The Department would need to update all necessary tax return forms and electronic management systems related to this bill, however the Department does not anticipate this bill will result in any additional costs that could not be absorbed in its operating budget.

**AGENCIES CONTACTED:**

Department of Revenue Administration