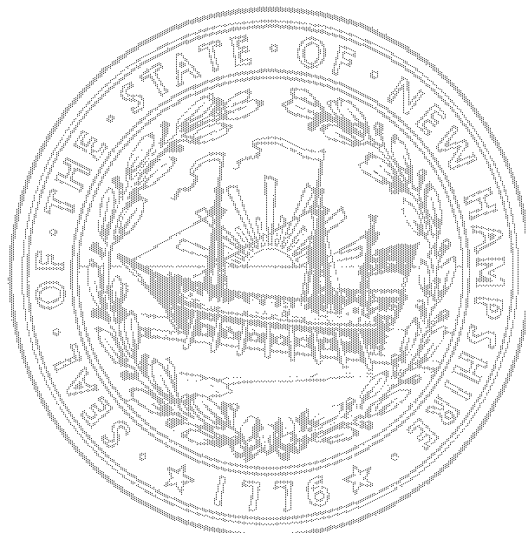


March 13, 2008
No. 11D

STATE OF NEW HAMPSHIRE

WEB SITE ADDRESS:
www.gencourt.state.nh.us



Legislative

SENATE CALENDAR ADDENDUM REPORTS & AMENDMENTS

REPORTS

FINANCE

SB 308-FN-A, (New Title) restoring certain foreign dividend deductions under the business profits tax.

Ought to Pass with Amendment, Vote 6-0.

Senator Odell for the committee.

SB 539-FN-L, relative to the cost of an adequate education and provision of fiscal capacity disparity aid.

Ought to Pass with Amendment, Vote 5-2.

Senator Janeway for the committee.

AMENDMENTS

Senate Finance

March 17, 2008

2008-1041s

09/01

Amendment to SB 308-FN-A

Amend the title of the bill by replacing it with the following:

AN ACT preventing potential double taxation on the identical gross business profits of related business organizations.

Amend the bill by replacing all after the enacting clause with the following:

1 New Paragraph; Preventing Potential Double Taxation. Amend RSA 77-A:4 by inserting after paragraph IV the following new paragraph:

IV-a.(a) In the case of a parent business organization, a deduction equal to the apportioned amount of gross business profits of the parent as are derived from one or more actual distributions received from a subsidiary, which distributions have already been subject to taxation under this chapter during the same or an overlapping fiscal period.

(b) For this paragraph only:

(1) "Apportioned amount of gross business profits" means the product of the total amount of gross business profits as are derived from actual distributions received by the parent from the subsidiary, multiplied by the apportionment fraction of the subsidiary as determined pursuant to RSA 77-A:3, II(a) for the tax period of the subsidiary that includes the date on which actual distributions were paid.

(2) "Parent" means a business organization which is required to file a separate business profits tax return and which controls, not merely invests, in one or more business organizations each required to file a separate business profits tax return and that make actual distributions to the parent.

(3) "Subsidiary" means a business organization which is required to file a separate business profits tax return and which is controlled by a parent, as defined in this paragraph.

(c) The purpose of this deduction is solely to prevent double taxation on the identical gross business profits of related business organizations.

2 Applicability. Section 1 of this act shall apply for all actual distributions received on and after August 17, 2007.

3 Effective Date. This act shall take effect upon its passage.
2008-1041s

AMENDED ANALYSIS

This bill prevents potential double taxation on the identical gross business profits of related business organizations.

Senate Finance
March 19, 2008
2008-1077s
04/10

Amendment to SB 539-FN-LOCAL

Amend RSA 198:38, I as inserted by section 4 of the bill by replacing it with the following:

I. "Average daily membership in attendance" or "ADMA" means the aggregate half-day membership of pupils in kindergarten through grade 12 attending schools operated by a school district divided by the number of half-days of instruction offered. The average daily membership in attendance shall include any pupil who is a resident of New Hampshire educated at public expense.

Amend RSA 198:38, VI as inserted by section 4 of the bill by replacing it with the following:

VI. "English language learner" means a child who has a predominant language other than English or who is educationally disadvantaged by a limited English proficiency, and who is receiving regularly scheduled English language instruction.

Amend RSA 198:40-a, IV as inserted by section 5 of the bill by replacing it with the following:

IV.(a) The sum total calculated under paragraphs I-III of this section shall be used to determine the cost of an adequate education which shall be used in each year of the biennium.

(b) Prior to or coinciding with the first disbursement of each fiscal year under RSA 198:42, the department shall notify a school district of the total amount of funds that have been allocated for each school within its jurisdiction during the fiscal year based on the sum of the school district's adequate education grant amount plus the amount available to the school district from the education property tax. In addition, the department shall furnish to each municipality a report showing the municipality's cost of an adequate education sorted by a pupil's municipality of residence.

Amend the bill by inserting after section 7 the following and renumbering the original sections 8-15 to read as 9-16, respectively:

8 Transitional Education Aid; Biennium Ending June 30, 2011.

I. A municipality in which the estimated fiscal year 2010 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant shall be eligible for transitional education aid for the fiscal year ending June 30, 2010 as follows:

(a) A municipality in the upper half of the first quartile with a median family income less than 125 percent of the state average median family income, shall receive transitional educational aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(b) A municipality in the upper half of the first quartile with a median family income between 125 percent and 150 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(c) A municipality in the lower half of the first quartile with a median family income less than 110 percent of the state average median family income, shall receive transitional education aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(d) A municipality in the lower half of the first quartile with a median family income between 110 percent and 125 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(e) A municipality in the upper half of the second quartile with a median family income less than 100 percent of the state average median family income, shall receive transitional education aid in the amount of 50 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

(f) A municipality in the upper half of the second quartile with a median family income between 100 percent and 110 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2010 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2010 fiscal year pursuant to RSA 198:40-c.

II. A municipality in which the estimated fiscal year 2011 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant shall be eligible for transitional education aid for the fiscal year ending June 30, 2011 as follows:

(a) A municipality in the upper half of the first quartile with a median family income less than 125 percent of the state average median family income, shall receive transitional educational aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(b) A municipality in the upper half of the first quartile with a median family income between 125 percent and 150 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(c) A municipality in the lower half of the first quartile with a median family income less than 110 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(d) A municipality in the lower half of the first quartile with a median family income between 110 percent and 125 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal

capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(e) A municipality in the upper half of the second quartile with a median family income less than 100 percent of the state average median family income, shall receive transitional education aid in the amount of 25 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

(f) A municipality in the upper half of the second quartile with a median family income between 100 percent and 110 percent of the state average median family income, shall receive transitional education aid in the amount of 12.5 percent of the difference between its fiscal year 2009 adequate education grant and its fiscal year 2011 adequate education grant, less any fiscal capacity disparity aid received by the municipality in the 2011 fiscal year pursuant to RSA 198:40-c.

III. The procedure for calculating equalized valuation per pupil and the definition of terms set forth in RSA 198:40-c shall apply to the calculation of transitional educational aid in this section.

Amend the bill by replacing section 16 with the following:

16 Effective Date.

I. Section 15 of this act shall take effect June 30, 2009.

II. The remainder of this act shall take effect July 1, 2009.

2008-1077s

AMENDED ANALYSIS

This bill:

I. Determines the per pupil cost of the opportunity for an adequate education which includes differentiated aid distributed to schools based on the number of pupils receiving special education services, or eligible for a free or reduced-price lunch, or who are English language learners.

II. Requires schools receiving differentiated aid to use it to implement enhanced programs known to improve pupil achievement.

III. Establishes a joint legislative oversight committee on accountability for an adequate education.

IV. Provides fiscal capacity disparity aid, in addition to aid for the cost of the opportunity for an adequate education, based on a municipality's equalized valuation, including utilities, per pupil and median family income.

V. Provides transitional education aid for the biennium ending June 30, 2011 to certain municipalities in which the estimated fiscal year 2010 adequate education grant is 85 percent or less than its fiscal year 2009 adequate education grant.