

# New Hampshire Department of Revenue Administration Central NH Chamber of Commerce

April 21, 2020

Lindsey M. Stepp, Commissioner



Lindsey M. Stepp, Commissioner  
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# AGENDA



What is the Department of Revenue Administration (DRA)?

How Can I File and Pay My Taxes?

What Happens if I Don't File and Pay My Taxes?

What Resources Does the DRA Provide?



# What is the Department of Revenue Administration (DRA)?



# MISSION



The mission of the Department of Revenue Administration is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.



# Taxpayer Interaction



It is the policy of the Department of Revenue Administration to administer the tax laws of the State in a manner that demonstrates efficiency, fairness, and courtesy towards every taxpayer.

# Taxes Administered by DRA ~ \$2.3B Revenue

<u>Tax Type</u>	<u>Tax Rate</u>	<u>Statute</u>
Business Enterprise Tax	0.6%*	RSA 77-E
Business Profits Tax	7.7%*	RSA 77-A
Communications Services Tax	7.0%	RSA 82-A
Electricity Consumption Tax (Repealed 1/1/19)	\$0.00055/kilowatt hour	RSA 83-E
Interest and Dividends Tax	5.0%	RSA 77
Meals and Rooms Tax	9.0%	RSA 78-A
Medicaid Enhancement Tax	5.4%	RSA 84-A
NFQA/ICFQA	5.5%	RSA 84-C/84-D
Tobacco Tax	\$1.78 per pack/65.03% wholesale price	RSA 78
Taxation of Railroads	Average rate of taxation of other property	RSA 82
Utility Property Tax	\$6.60 per \$1,000 of utility property value	RSA 83-F
Excavation Tax	\$.02 per cubic yard (Local revenue)	RSA 72-B
Real Estate Transfer Tax	\$0.75 per \$100	RSA 78-B
Timber Tax	10% of stumpage value (Local revenue)	RSA 79
Property Tax (Includes SWEPT)	Varies (Local revenue)	RSA 76

## Taxes DRA Does Not Collect

<u>Tax Type</u>	<u>Statute</u>
Insurance Premium Tax	RSA 400-A
Beer Tax	RSA 178
Road Toll (Gas Tax)	RSA 260

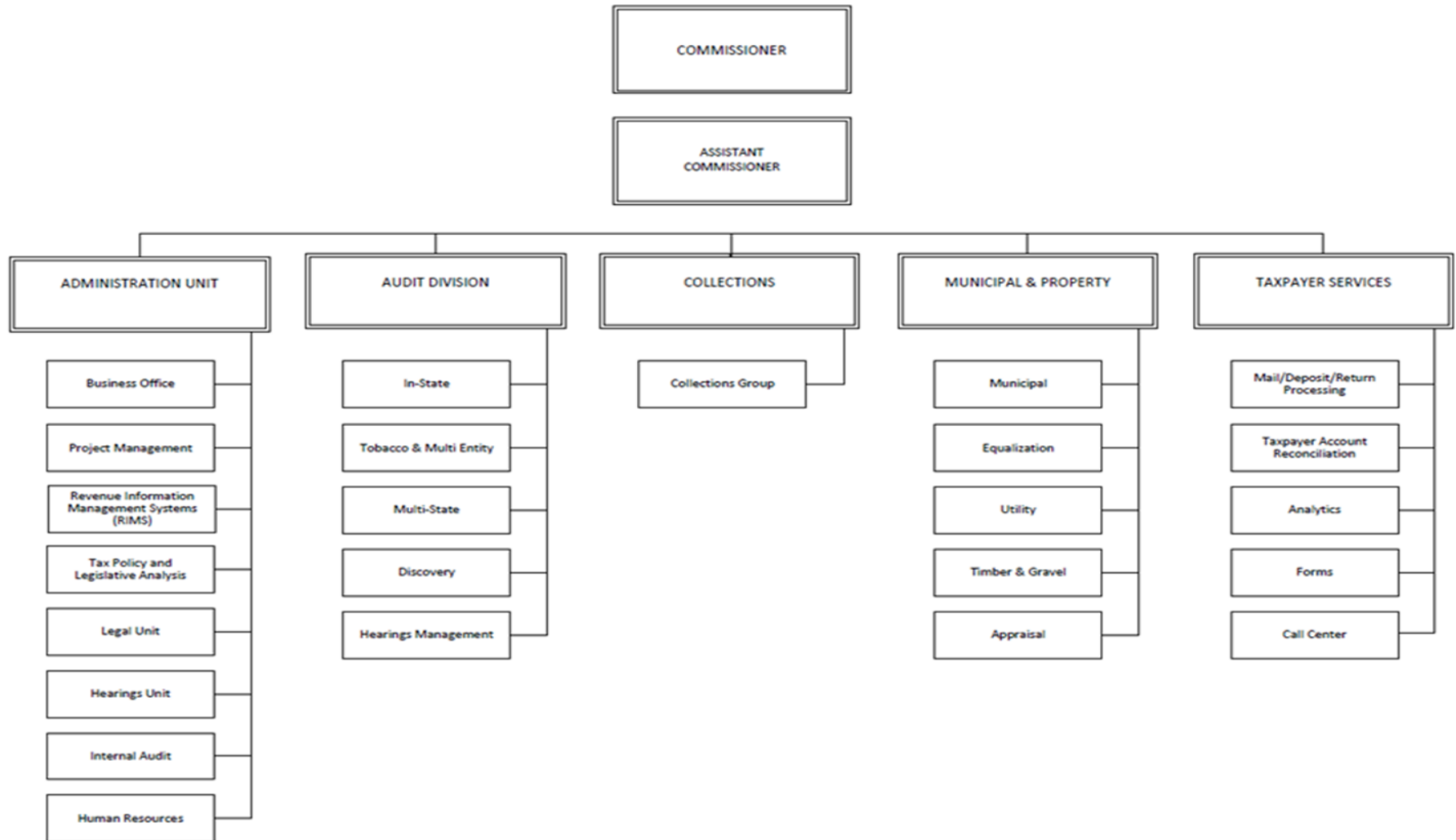
\*BET rate reduced to 0.60% and BPT rate reduced to 7.70% for taxable periods ending on or after 12/31/19.

# Tax Revenue - Fiscal Year 2019 (Audited)

<u>Tax Type</u>	<u>Revenue</u>
Business Profits Tax	\$473.5M
Business Enterprise Tax	\$332.1M
Subtotal Business Tax	<hr/> \$805.6M
Communications Services Tax	\$41.2M
Interest and Dividends Tax	\$114.7M
Meals and Rooms Tax	\$350.1M
Medicaid Enhancement Tax	*\$250.2M
NFQA/ICFQA	*\$39.3M
Tobacco Tax	\$202.4M
Utility Property Tax	\$39.5M
Real Estate Transfer Tax	\$152.1M
State Wide Education Property Tax	\$363.1M
 <b>TOTAL</b>	 <b>\$2.3B</b>

\*FY2019 MET and NFQA Revenue is Unaudited Cash

# Department of Revenue Administration Organizational Chart







# How Can I File and Pay My Taxes?

# Ways to File and Pay



The Department's online portal allows taxpayers to file returns, pay and view balances, request payment plans, view correspondence and more! It's currently available for Meals and Rentals, Medicaid Enhancement, and Nursing Facility Quality Assessment Taxpayers. Additional tax types will be added in October 2020, including Business, Interest & Dividends and Communication Services Tax.



Electronically file many return types and pay taxes (returns, amended returns, estimates, extension, and tax notice payments) on the DRA website by clicking the e-file icon. Payments can be made by credit card or directly from your bank account.

Modernized e-File – File your returns electronically utilizing numerous well-known commercial software vendors. A full list of authorized vendors can be found on the Forms Page of the DRA website.

Mail – Mail or hand deliver your return form and payment to the DRA in accordance with the form's instructions.



# What Happens if I Don't File and Pay My Taxes?

# Penalties and Interest – All Taxes

## Interest

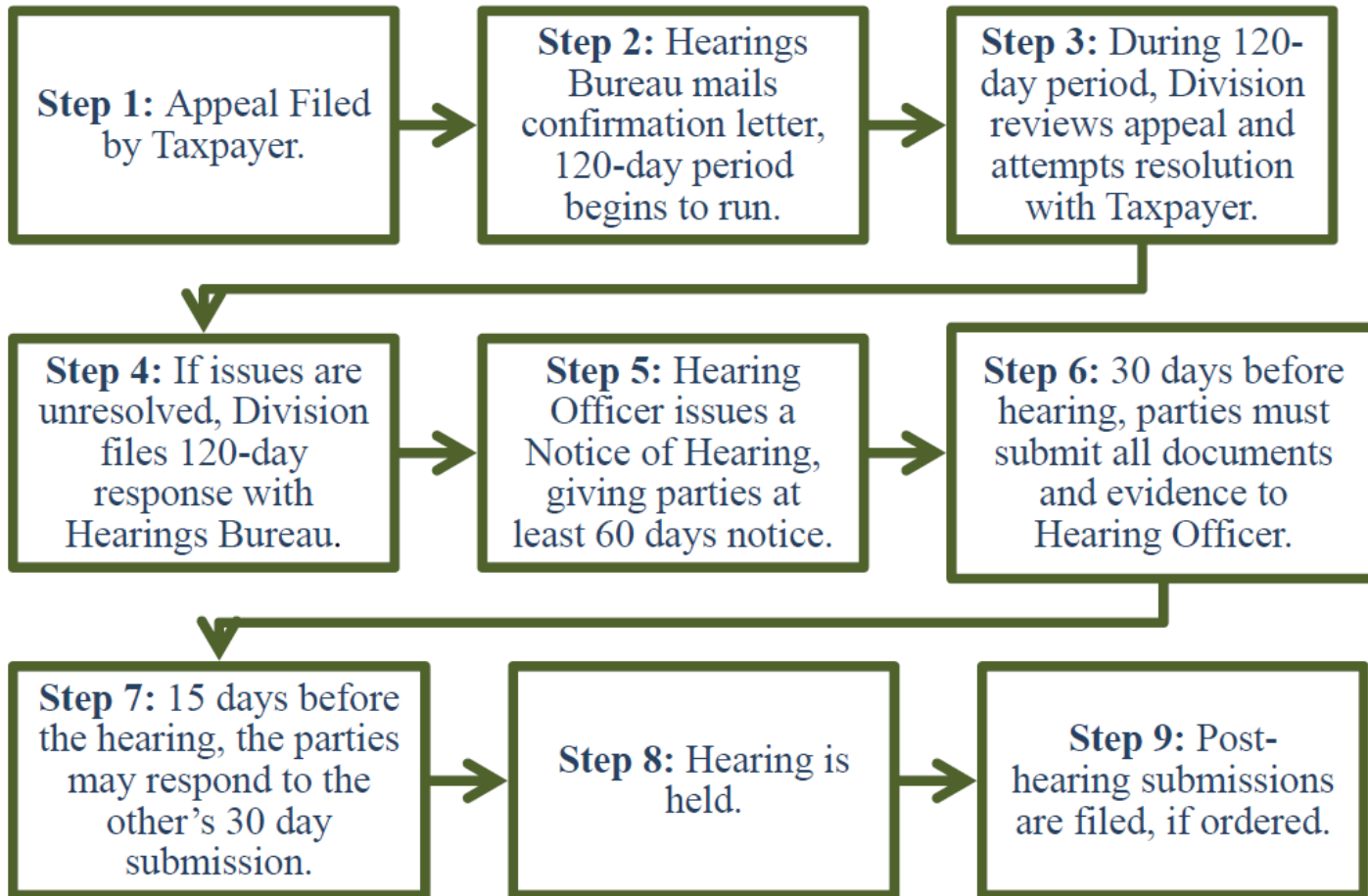
The interest rate is currently 7% of the amount of tax not paid by the due date (effective 1/1/2020 – 12/31/2020).

## Penalties

**Failure to File a Return** – 5% of the total tax liability for each month the return remains unfiled (limited to 25% of the total tax due).

**Failure to Pay Tax** – 10% of the total amount of non-payment or underpayment.

# DRA Appeals Procedure



# Audit Process

Selection	A neutral selection process, generally based on data queries and randomization, except for referrals/whistleblowers.
Initial contact	Either by letter or phone call. A “taxpayer bill of rights” will be provided, which will explain the process and the taxpayer’s rights.
Schedule and conduct any field work	Audit work may be conducted at the Department and at the taxpayer’s location. In that case, we attempt to find a mutually suitable time.
Requests for information or documents	We may make one or more requests for materials necessary to finish the audit. We allow taxpayers the time to gather the information.
Status letter	Sent periodically to help taxpayer understand the timing of their audit.
No-change letter	We will issue a “no-change” letter to close an audit without changes to the tax return.
Proposed assessment or refund	If we intend to adjust the tax return, we will send the taxpayer a proposed assessment to discuss.
Notice of assessment or refund	If we will close the audit by adjusting the taxpayer’s return, we will issue a notice of assessment.
Appeal rights	Most audits generally close in 9 months or less. If the taxpayer disagrees with the audit outcome, the taxpayer may file an appeal.



# What Resources Does the DRA Provide?



Username

Password

Log in

Forgot Password?

Don't have a username?  
Create One

🔍 Type in a keyword to narrow your choices



### Applications

Submit an application

- > [Apply for a Meals and Rentals License](#)
- > [Apply for a Payment Plan](#)



### Payments

Make an online payment now

- > [Pay a Voucher Received From the Department](#)
- > [Make an Account Payment](#)



### License Lookup

Find an active Meals and Rentals account

- > [Meals and Rentals License Lookup](#)



# COVID-19 Relief

(Technical Information Release 2020-001)

## Business Taxes

	2020 Estimates Based on quarterly payments of 2018 <u>or</u> 2019 taxes	2019 Return or Extension Payment Based on 100% of 2018 <u>or</u> 2019 taxes owed	Return Filing Due on Extension
2018 taxes owed less than or equal to \$50,000	1 <sup>st</sup> Quarter – June 15 2 <sup>nd</sup> Quarter – June 15	June 15	November 15
2018 taxes owed greater than \$50,000	1 <sup>st</sup> Quarter – April 15 2 <sup>nd</sup> Quarter – June 15	April 15	November 15

## Interest and Dividends Tax

	2020 Estimates Based on quarterly payments of 2018 <u>or</u> 2019 taxes	2019 Return or Extension Payment Based on 100% of 2018 <u>or</u> 2019 taxes owed	Return Filing Due on Extension
2018 taxes owed less than or equal to \$10,000	1 <sup>st</sup> Quarter – June 15 2 <sup>nd</sup> Quarter – June 15	June 15	November 15
2018 taxes owed greater than \$10,000	1 <sup>st</sup> Quarter – April 15 2 <sup>nd</sup> Quarter – June 15	April 15	November 15

# Who do I call with questions?

## Taxpayer Services

(603) 230-5920

(Select Option 6)

Monday – Friday 8:00 am  
to 4:30 pm



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