

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

19-0525

SB 134, *relative to the administration of the meals and rooms tax.*

Senate Ways & Means

The proposed legislation simplifies, clarifies, and modernizes the Meals and Rooms (Rentals) (“M&R”) Tax Law. It takes effect July 1, 2019.

Section 2 of the proposed legislation clarifies the definitions with respect to meals. Specifically, the proposed legislation clarifies the definitions of “meal” and “restaurant,” including by inserting new definitions of the terms “food products,” “nonprofit organization,” “restaurant portion,” and “store.” It also removes certain substantive provisions currently in the definitions section to new sections.

Section 3 of the proposed legislation provides a penalty provision for violation of the license posting requirement currently in RSA 78-A:4, I.

Section 5 of the proposed legislation separates current RSA 78-A:6-a into two sections, one for gratuity charges and the other for auxiliary charges. It removes the advance deposits provision to the new occupancy section and incorporates the admission charges provision currently in N.H. Admin. Rules, Rev 702.17.

Section 6 of the proposed legislation inserts two new exception sections from the current definitions section, one for taxable meals and the other for occupancy. The taxable meals section currently exists in RSA 78-A:3, X(c), except with a few clarifications. The occupancy section currently exists in RSA 78-A:3, VI(b) and VIII(c), and RSA 78-A:6-a, I.

Section 8 of the proposed legislation simplifies the hearing procedure with respect to surety bonds.

Section 10 of the proposed legislation repeals obsolete provisions.

The Department would note that the fiscal impact is indeterminable because the proposed legislation merely simplifies, clarifies, and modernizes the current M&R Tax Law. It does not affect taxability. However, to the extent the proposed legislation offers more clarity to operators with respect to certain items, or generally improves compliance and enforcement, it may increase or decrease revenues.

Lastly, the proposed legislation’s effective date of July 1, 2019 may come before it becomes law. It also does not allow sufficient time to notify taxpayers and for rulemaking. We recommend January 1, 2020.