

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

19-0907

**SB 223**, *increasing the minimum gross business income required for filing a business profits tax return.*

### Senate Ways & Means

The proposed legislation amends RSA 77-A:6, I and I-a to increase the gross business income threshold for filing a Business Profits Tax (BPT) return, from in excess of \$50,000 to in excess of \$100,000. It applies to taxable periods beginning after December 31, 2019.

The estimated fiscal impact of the proposed legislation is indeterminable but would decrease revenues. The Department does not know how many current or possibly new taxpayers would have gross business income between \$50,001 and \$100,000 in subsequent years.

However, the Department has calculated a possible fiscal impact for one year based specifically on tax year 2016 (as if the proposed legislation had been in effect at that time). The Department does not have a line on the BPT return where taxpayers report their gross business income, so it also used federal information. The Department compared taxpayers that filed tax year 2016 BPT returns to tax year 2016 federal data identifying taxpayers that reported gross receipts between \$50,001 and \$100,000. Of the 73,179 taxpayers that filed tax year 2016 BPT returns, 9,396 also reported gross receipts between \$50,001 and \$100,000 on their tax year 2016 federal returns. Of those 9,396 taxpayers, 8,485 had no BPT liability, while 911 reported a total BPT liability of \$2,193,306. The possible decrease, then, is \$2,193,306.