

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

15-0374

HB 552-FN, *requiring the state treasurer to develop an implementation plan for the state to accept bitcoin as payment for taxes and fees*

House Way & Means Committee

This bill would require the State Treasurer, in consultation with the Commissioners of the Department of Revenue Administration (DRA) and Department of Administrative Services, to develop an implementation plan for New Hampshire to accept Bitcoin as payment for taxes and fees beginning July 1, 2017. Bitcoin is considered “virtual currency” and is not recognized as US currency. For purposes of its fiscal analysis, the DRA assumed that legislation will be enacted to recognize virtual currency as US currency. RSA 6:11 VII states that “All payments due to the state of New Hampshire for services provided shall be paid for in United States dollars. Any payment received in any other currency shall be returned to the payor.” Until RSA 6:11 is amended, the State of New Hampshire is unable to accept Bitcoin as payment for taxes and fees.

It does not appear any state accepts Bitcoin as a form of payment of taxes and fees. As such, sufficient information regarding state acceptance of Bitcoin as payment for taxes and fees was not available to the DRA.

Processing and exchange rate of Bitcoin is susceptible to volatility due to the young economy of Bitcoin. For purposes its fiscal analysis, the DRA assumed the State Treasurer would handle the processing, exchange and deposit of the Bitcoin and the State Treasurer would contract with a vendor to process Bitcoins at no cost to the State.

As virtual currency, the payment of taxes and fees by Bitcoin would be made through DRA’s e-file system. Currently only taxes can be paid through the e-file system, but by the implementation date DRA will be able to accept fees associated with taxes. The DRA would need to work with the DRA’s e-file vendor at the time of implementation to make programming changes and user interface changes for the acceptance of Bitcoin. These changes would cost the DRA an indeterminable amount of money.

The DRA has no way of estimating if any additional revenue would be brought in due to the acceptance of the Bitcoin.