

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

15-0167

SB 6-FN-A, *increasing the research and development tax credit against the business profits tax.*

Senate Way & Means Committee

This bill seeks to increase the aggregate Research and Development (R&D) tax credits to be issued in any fiscal year from \$2,000,000 to \$7,000,000; effective July 1, 2015. The Department of Revenue Administration assumes the full amount of the R&D tax credit will be awarded each year and that the full amount of the R&D tax credit will be utilized against the Business Enterprise Tax (BET) and the Business Profits Tax (BPT) each year.

As the R&D tax credit program was set to award \$2,000,000 for FY15 and the proposed law would take effect July 1, 2015, only FY16 and forward will be affected by this legislation.

Under this bill, the R&D tax credit for which taxpayers apply for from July 1, 2014 through June 30, 2015, and which is then awarded by September 30, 2015, would equal the proposed \$7,000,000 maximum amount. However, \$2,000,000 would have already have been allowed, so the new maximum award amount will have a \$5,000,000 reduction in revenue in FY16 and forward.

This law could be administered by the Department without any additional cost.