

**New Hampshire Department of Revenue Administration
45 Chenell Drive, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2005-001 August 24, 2005**

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Customer Service at (603) 271-2191.

2005 Statutory Changes For Real Estate Transfer Tax, Communication Services Tax, and for the Administration of Taxes by the Department of Revenue Administration

During the 2005 Session of the General Court, several pieces of legislation were enacted into law making changes to the Real Estate Transfer Tax [RSA 78-B], Communication Services Tax [RSA 82-A], and to the Department of Revenue Administration's Enabling Act [RSA 21-J]. The changes are summarized in the following paragraphs.

REAL ESTATE TRANSFER TAX

An amnesty for the payment of penalties and the payment of interest greater than 10 percent with respect to real estate transfer taxes due but unpaid on or before July 1, 2005 will be in effect from December 1, 2005 through and including February 15, 2006. The Amnesty program details will be published in TIRs and other media during the fall of this year.

COMMUNICATION SERVICES TAX

The Legislature has passed legislation directing the Department of Revenue to conduct audits of retailers subject to the enhanced 911 services surcharge imposed under RSA 106-H:9 and to report any results of these examinations to the Department of Safety. This act became effective July 14, 2005.

AGENCY RULES

The Legislature has enacted RSA 21-J: 38-a authorizing the Department of Revenue Administration to disallow any sham transaction between members of a controlled group. This statute additionally places the burden upon the taxpayer to establish that a transaction, identified by the Department as a sham transaction, to establish by a preponderance of the evidence that the transaction or transactions was not a sham transaction. The statute of limitations has been extended by at least three years on a transaction identified as a sham transaction by the Department of Revenue Administration.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 45 Chenell Drive, Concord, NH 03301 or by contacting them at (603) 271-2318.