

HB 133-FN - AS INTRODUCED

2023 SESSION

23-0134

02/08

HOUSE BILL ***133-FN***

AN ACT relative to repealing the communications services tax.

SPONSORS: Rep. Osborne, Rock. 2; Rep. L. Sanborn, Hills. 2; Rep. Janigian, Rock. 25; Rep.
Doucette, Rock. 25

COMMITTEE: Ways and Means

ANALYSIS

This bill repeals the communications services tax.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to repealing the communications services tax.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Funding; Fund Established. Amend RSA 106-H:9, III (b)(3) to read as follows:
- 2 (3) Disclosure to the department of revenue administration of records, files, and
- 3 information required by the department of revenue administration [~~to administer the~~
- 4 ~~communications services tax pursuant to RSA 82-A and~~] to assist the bureau in its administration of
- 5 RSA 106-H:9.
- 6 2 Repeal. RSA 82-A, relative to communications services tax, is repealed.
- 7 3 Effective Date. This act shall take effect July 1, 2023.

**HB 133-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to repealing the communications services tax.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill would repeal the Communications Services Tax (CST) effective July 1, 2023. The repeal of the CST will decrease General Fund revenue by an indeterminable amount. The Department of Revenue Administration is not able to estimate the amount of revenue from the CST for future years. The Department notes the CST cash basis revenue for FY 2022 was \$30.9 million. If the amount of revenue collected in FY 2022 were to remain the same in future years, General Fund revenue would decrease by \$30.9 million each fiscal year.

CST returns must be filed on the 15th day of the month for the preceding calendar month, accompanied by the tax collected. For those CST taxpayers with an estimated monthly liability in excess of \$10,000, they are required to provide an estimated payment equal to 90% of the actual tax collected on or before the 15th day of the month during which the liability is incurred. This requirement results in a nominal amount of revenue being attributable to the prior month. Therefore, even with a repeal date of July 1, 2023 a nominal amount of revenue would be received in July 2023 attributable to the June 2023 taxable period.

The Department would need to update all necessary tax forms and electronic management systems related to CST, however it is not anticipated this bill would result in any additional administrative costs that could not be absorbed in the Department's operating budget.

AGENCIES CONTACTED:

Department of Revenue Administration