New Hampshire Legislative Update
MAY 2019

Issues Update:
On June 6th, the Senate passed its version of the state’s two-year budget and both the House and Senate passed the last of committee reports for the 2019 session. Next up is conference committee time, where the House & Senate appoint members to work on differences between versions of a bill passed by each body.

The Senate’s version of the budget included many changes. Notable, the Senate removed a “capital gains tax” proposed by the House but has included a sweeping change to the state’s Business Profits Tax. Accepted by the Senate as part of the comprehensive amendment to the Budget, The Senate Finance Committee voted to change apportionment of Business Profits Tax for tangible goods to a sales-only apportionment. This is an issue that has popped up now and again over the past 20 years, including during a legislative study of the BPT last year. This affects only businesses whose profits are apportioned among more than one state. If your business’s profits are attributable only to N.H., and you pay business taxes only to N.H. this does not affect you. The House & Senate will work out their differences in conference committee, but at this moment it is likely Governor Sununu will veto the operating budget proposals.

The House amended and passed, on a party-line vote, the Senate’s version of minimum wage. The Committee stripped out a provision in the Senate-passed version allowing for $1 less in minimum wage if “an employer offers at least 10 paid sick days to an employee”. The committee felt this was too cumbersome and didn’t take into account part-time and / or temporary employees and other circumstances. As amended the bill would raise the minimum wage as follows:
• January 1, 2020 $10 per hour
• January 1, 2020 $12 per hour

The House also passed, with amendment, SB 228-FN, relative to multiple-employer welfare arrangements. This is the legislative initiative of the N.H. Dept. of Insurance in response to the U.S. Dept. of Labors rules regarding “Association Health Plans”.

It it’s report, the Committee majority acknowledges the changes in the AHP statutes are somewhat a contingency. The bill also would create a new chapter 404-J, which establishes a commission on the status of health coverage markets for individuals and small employers. This commission will work to identify challenges to the individual and small group markets and will consider whether other changes might benefit our constituents. Some business trade groups asked for passage despite flaws in the bill, feeling the problems are more easily fixed later than starting from the beginning again.

A recent article in the “Wall Street Journal” highlighted how small businesses find it hard to compete with large business for employees.

Questions?
Please contact Kirk Ives, Director of Government Affairs at 518-880-6376 or kives@nrla.org.

Did You Know?
The lumber and building materials industry has an annual payroll of $822,747,541 in N.H.

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