

SB 483-FN-A – AS INTRODUCED

2010 SESSION

10-2791

09/04

SENATE BILL **483-FN-A**

AN ACT relative to the interpretation of Internal Revenue Code section 1031 as it relates to taxation under the business profits tax.

SPONSORS: Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Reynolds, Dist 2; Sen. Gilmour, Dist 12; Rep. W. Douglas Scamman, Rock 13; Rep. Peterson, Hills 3

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes a special rule for purposes of taxation under the business profits tax for exchanges of like kind property under Internal Revenue Code section 1031.

Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT relative to the interpretation of Internal Revenue Code section 1031 as it relates to taxation under the business profits tax.

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

1 New Section; Special Rule for Exchanges of Like Kind Property Under Internal Revenue Code Section 1031. Amend RSA 77-A by inserting after section 4-a the following new section:

77-A:4-b Special Rule for Exchanges of Like Kind Property Under Internal Revenue Code Section 1031. Notwithstanding the requirement of separate entity taxation included within the definition of a business organization, no gain or loss shall be recognized by a business organization if the replacement property received in a transaction qualifying for non-recognition of income pursuant to Internal Revenue Code section 1031 is placed in a revocable trust, a single-member limited liability company, or other entity treated as a disregarded entity under the provisions of the United States Internal Revenue Code of 1986 as amended. The basis of the replacement property received shall be the basis of the relinquished property as held by the business organization prior to the exchange as computed for federal income tax purposes. The department of revenue administration shall recognize any like-kind exchange that qualifies under the provisions of Internal Revenue Code section 1031, United States Department of the Treasury Income Tax Regulations, or pronouncements issued by the Internal Revenue Service relating to like-kind exchanges.

2 Applicability. This act shall apply to any taxable period that began on or after January 1, 2004.

3 Effective Date. This act shall take effect January 1, 2011.

LBAO

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01/13/10

SB 483-FN-A - FISCAL NOTE

AN ACT relative to the interpretation of Internal Revenue Code section 1031 as it relates to taxation under the business profits tax.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Revenue Administration. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.