

HB 635-FN - AS INTRODUCED

2025 SESSION

25-0675

0709/

HOUSE BILL

635-FN

AN ACT relative to taxing non-profit entities who settle illegal immigrants as for-profit entities.

SPONSORS: Rep. Corcoran, Hills. 28

COMMITTEE: Ways and Means

ANALYSIS

This bill:

I. Allows taxing non-profit entities who settle illegal immigrants as for-profit entities.

II. Allows the department of revenue administration to award bounties to persons who report instances of non-profits settling illegal immigrants to the department.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to taxing non-profit entities who settle illegal immigrants as for-profit entities.

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

1 1 Taxation; Business Enterprise Tax; Definitions. Amend RSA 77-E:1, III to read as
2 follows:

3 III. "Business enterprise" means any profit or nonprofit enterprise or organization, whether
4 corporation, partnership, limited liability company, proprietorship, association, trust, foundation,
5 business trust, real estate trust or other form of organization engaged in or carrying on any business
6 activity within this state, except such enterprises as are expressly made exempt from income
7 taxation under section 501(c)(3) of the United States Internal Revenue Code to the extent such
8 enterprise does not engage in any business activity constituting unrelated business activity as
9 defined by section 513 of the United States Internal Revenue Code. Each business enterprise under
10 this definition shall be subject to the tax imposed under RSA 77-E as a separate entity except that
11 trusts and foundations treated as grantor trusts under section 671 of the United States Internal
12 Revenue Code shall be included in the return of their owners, and such owners shall be subject to
13 the tax thereon to the extent any such owners would be considered a business enterprise hereunder
14 notwithstanding the existence of the trust or foundation. The use of consolidated returns as defined
15 in the United States Internal Revenue Code or of combined reporting is not permitted.
16 Notwithstanding any other provision of this paragraph, an enterprise shall not be characterized as a
17 business enterprise and shall be excluded from taxation at the entity level if it is a qualified
18 investment company as defined in RSA 77-E:1, XIV or if it is a qualified regenerative manufacturing
19 company as defined in RSA 77-E:1, XIV-a. ***"Business enterprise" shall include any for-profit or
20 nonprofit enterprise or organization, whether corporation, partnership, limited liability
21 company, proprietorship, association, trust, foundation, business trust, real estate trust, or
22 other form of organization engaged in, or attempting to engage in, settling or re-settling
23 illegal immigrants, including such enterprises that are expressly made exempt from
24 income taxation under section 501(c)(3) of the United States Internal Revenue Code.***

25 (a) *For the purposes of this paragraph, "settling" and "re-settling" shall include:*

26 (1) *Providing, or intending to provide, housing assistance, cash, vouchers, or
27 other items of value to be used for housing, utilities, or other goods or services;*

28 (2) *Providing, or intending to provide, legal or procedural aid given to assist
29 a person in achieving residency;*

1 (3) *Providing, or intending to provide, advice, assistance, or translation*
2 *services used in applying for government benefits, transportation, or other goods or*
3 *services.*

4 (b) *For the purposes of this paragraph, "illegal immigrant" means anyone who*
5 *is known, or should be known, to be in the United States without legal right or permission,*
6 *or in the United States without having entered through a legal port of entry, to achieve*
7 *housing, services, residency, or family reunification.*

8 2 New Paragraphs; Taxation; Business Enterprise Tax; Administration. Amend RSA 77-E:11 by
9 inserting after paragraph IV the following new paragraphs:

10 V. The first person who reports business enterprises engaging in, or attempting to engage
11 in, settling or resettling illegal immigrants to the department of revenue administration may be
12 provided a bounty, at the sole discretion of the department, not to exceed 10 percent of the business
13 enterprise tax, as provided in RSA 77-E:2, assessed against the business enterprise in the tax year of
14 the report. A person shall be eligible for a bounty, at the discretion of the department, for each tax
15 year a report is successfully filed.

16 VI. The commissioner of the department of revenue administration shall adopt rules,
17 pursuant to RSA 541-A, governing the bounty program established in paragraph V.

18 3 Effective Date. This act shall take effect 60 days after its passage.

HB 635-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to taxing non-profit entities who settle illegal immigrants as for-profit entities.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
Expenditures*	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill applies the business enterprise tax to non-profit entities who settle illegal immigrants and provides for a bounty to persons reporting instances of non-profits settling illegal immigrants to the Department of Revenue Administration.

The Department of Revenue Administration states it is not able to determine the fiscal impact of this bill on business enterprise tax revenue as it does not have information on the number of corporations with a 501(c)(3) designation that engage in settling or re-settling of illegal immigrants. The Department states the business enterprise tax revenue to the general fund and education trust fund would increase by an indeterminable amount to the extent the proposed expansion of the business enterprise tax base generates taxable income.

The Department has no information to estimate the fiscal impact of the awards from the bounty program. It is assumed any payments for the bounty would come from the general fund.

The Department would need to update all forms and rules related to the changes in this bill, however the Department does not anticipate any additional costs that cannot be absorbed the Department's operating budget.

The Department does note this bill may result in an impermissible classification of taxpayers and recommends the proposed bill be reviewed by a constitutional lawyer or the Department of Justice.

The Department of Health and Human Services states this bill may have an indeterminable impact by necessitating the Department's contractors (area agencies and community health centers) and its own staff to shift resource to respond to complaints and accusations. The shifting of resources may take time away from other functions. However, the Department did not specifically identify any need to increase funding to meet the requirements of this bill.

AGENCIES CONTACTED:

Department of Revenue Administration and Department of Health and Human Services