

Repeal of the RSA Chapter 77 Interest and Dividends Tax – Effective January 1, 2025

January 23, 2025

On January 21, 2025, the New Hampshire Department of Revenue Administration (NHDRA) released a Technical Information Release (TIR) regarding the RSA Chapter 77 Interest and Dividends Tax (I&D Tax). This TIR advised taxpayers, tax professionals, and the general public of the repeal of the I&D Tax, effective January 1, 2025, essentially making interest and dividends no longer taxable as of 2025.

Previously, interest and dividend income received by residents of New Hampshire beyond the individual amount of \$2,400 (\$4,800 for joint taxpayers) was taxed at 3% for 2024. The tax rate, until recently, was 5%. Exemptions for this tax initially were available for residents over sixty-five years old or those who are blind or disabled and unable to work and hadn't reached sixty-five years old

Under this new order, the I&D Tax has been repealed for taxable periods beginning *after* December 31, 2024. This repeal in tax provides for the following:

- Taxpayers required to file an I&D Tax return for tax year 2024 (or earlier) will still need to file by the due date. They will still need to include any required tax, interest, and penalty payments that are due, including all estimate payments for tax year 2024.
- Overpayments for 2024 I&D Tax will be refunded unless they are to be applied to past-due balances. For overpayments prior to 2024, the statute of limitations has not expired, and they will be refunded to taxpayers upon request after they have been applied to past-due balances, if applicable.
- I&D Tax estimated payments for tax year 2025 should not be filed. Those who made these payments erroneously may request a refund of these payments in writing.
- I&D Tax forms for tax year 2025 will not be available as taxpayers will not be required to file an I&D Tax return in 2025.
- However, taxable periods beginning on or before December 31, 2024 are still subject to audit and collection by the NHDRA.

More information can be found on the NHDRA website, <https://www.revenue.nh.gov/>, and at the following links:

[NHDRA Technical Information Release TIR 2025-001](#)

[NHDRA Interest & Dividends Tax](#)