

CHAPTER 265  
HB 599 - FINAL VERSION

11Mar2015... 0550h  
04/30/2015 1399s  
24June2015... 2218CofC  
24June2015... 2346EBA

2015 SESSION

15-0335  
09/06

HOUSE BILL **599**

AN ACT relative to the economic revitalization zone tax credit program.

SPONSORS: Rep. Weyler, Rock 13; Rep. Eaton, Ches 3; Rep. Gionet, Graf 5; Rep. Rappaport, Coos 1; Rep. Seidel, Hills 28; Sen. Forrester, Dist 2; Sen. Cataldo, Dist 6

COMMITTEE: Ways and Means

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AMENDED ANALYSIS

This bill changes eligibility requirements for economic revitalization zones and requires each zone to be reevaluated every 5 years to determine if the zone still meets eligibility criteria. The bill specifies that only full-time jobs are counted for purposes of calculating the business tax credits received by the zone. The bill also authorizes the commissioner of the department of resources and economic development to establish rules for evaluating the effectiveness of an economic revitalization zone tax credit program

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                    relative to the economic revitalization zone tax credit program.

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

1            265:1 Designation of Economic Revitalization Zone. RSA 162-N:2 is repealed and reenacted to  
2 read as follows:

3            162-N:2 Designation of Economic Revitalization Zone.

4            I. "Economic revitalization zone" means a zone with a single continuous boundary,  
5 designated in accordance with the rules adopted under RSA 162-N:8, and having at least one of the  
6 following characteristics:

7                    (a) Unused or underutilized industrial parks; or

8                    (b) Vacant land or structures previously used for industrial, commercial, or retail  
9 purposes but currently not so used due to demolition, age, obsolescence, deterioration, brownfields,  
10 relocation of the former occupant's operations, or cessation of operation resulting from unfavorable  
11 economic conditions either generally or in a specific economic sector.

12            II. Economic revitalization zones shall be designated by the commissioner of resources and  
13 economic development only upon petition by the local governing body, as defined by RSA 672:6, or  
14 the town council. The commissioner of resources and economic development shall certify that the  
15 economic revitalization zone meets the criteria required in paragraph I.

16            265:2 New Section; Reevaluation of Economic Revitalization Zone. Amend RSA 162-N by  
17 inserting after section 2 the following new section:

18            162-N:2-a Reevaluation of Economic Revitalization Zone. Each economic revitalization zone  
19 shall be evaluated every 5 years to determine if it meets the criteria required in RSA 162-N:2. If an  
20 economic revitalization zone fails to meet the criteria in RSA 162-N:2, its designation as an economic  
21 revitalization zone shall be removed.

22            265:3 Eligibility Requirements for Business Tax Credits. Amend RSA 162-N:3 to read as  
23 follows:

24            162-N:3 Eligibility Requirements for Business Tax Credits. No economic revitalization zone tax  
25 credits shall be allowed to any taxpayer unless the taxpayer's project receives written certification ***in***  
26 ***accordance with RSA 162-N:4, I*** from the commissioner of resources and economic development  
27 that it will expand the commercial or industrial base in a designated economic revitalization zone

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1 and will create new jobs in the state.

2 265:4 Economic Revitalization Zone Tax Credit Agreement. Amend RSA 162-N:4 to read as  
3 follows:

4 162-N:4 Economic Revitalization Zone Tax Credit Agreement.

5 I. The commissioner of resources and economic development shall enter into a written  
6 economic revitalization zone tax credit agreement with each taxpayer; such agreement to be certified  
7 by the commissioner of resources and economic development under this section. The agreement shall  
8 contain such provisions as the commissioner of resources and economic development determines to  
9 be in the public interest, which shall include, but not be limited to:

10 (a) Quality and quantity of *full-time* jobs to be created.

11 (b) Duration of the taxpayer's commitments with respect to the economic revitalization  
12 zone.

13 (c) The amount of the taxpayer's investment in the project.

14 (d) A precise definition of the location of the facility eligible for the credit.

15 (e) The maximum amount of the economic revitalization zone tax credit that will be  
16 allowed to the business under this agreement for jobs created and for construction or reconstruction  
17 expenses.

18 II. ~~[A certified copy of each agreement signed by the commissioner of resources and economic~~  
19 ~~development and the taxpayer and a certified copy of each]~~ **The agreement shall contain a**  
20 **determination of the final amount of the credit awarded [under the agreement] and** shall be  
21 provided to the commissioner of revenue administration and the taxpayer claiming the credit no  
22 later than March 10 of each year.

23 265:5 Determination of Economic Revitalization Zone Tax Credits Eligible Amount. Amend  
24 RSA 162-N:6 to read as follows:

25 162-N:6 Determination of Economic Revitalization Zone Tax Credits Eligible Amount. For the  
26 purpose of determining the economic revitalization zone tax credit that the taxpayer is eligible to  
27 receive, the amount of the credit to be taken shall be the lesser of the following:

28 I. The maximum amount of the economic revitalization zone tax credit as stated in the  
29 agreement as specified by RSA 162-N:4, I(e); or

30 II. The sum of the following:

31 (a) 4 percent of the salary for each new *full-time* job created in the calendar year with a  
32 wage less than or equal to 1.75 times the then current state minimum wage.

33 (b) 5 percent of the salary for each new *full-time* job created in the calendar year with a  
34 wage greater than 1.75 times the then current state minimum wage and less than or equal to 2.5  
35 times the then current state minimum wage.

36 (c) 6 percent of the salary for each new *full-time* job created in the calendar year with a

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1 wage greater than 2.5 times the then current state minimum wage.

2 (d) 4 percent of the lesser of the following:

3 (1) The actual cost incurred in the calendar year of creating a new facility or  
4 renovating an existing facility, and expenditures for machinery, equipment, or other materials,  
5 except inventory.

6 (2) \$20,000 for each new *full-time* job created in the calendar year.

7 265:6 New Paragraph; Rules. Amend RSA 162-N:8 by inserting after paragraph III the  
8 following new paragraph:

9 IV. Criteria for evaluation of the effectiveness of the tax credit program and whether  
10 existing economic revitalization zones continue to meet the criteria of RSA 162-N:2.

11 265:7 Repeal. RSA 162-N:2-a, relative to recertification of economic revitalization zone, is  
12 repealed.

13 265:8 Definitions. Amend RSA 162-N:1 to read as follows:

14 162-N:1 [~~Definition~~] **Definitions.** In this chapter[~~]~~:

15 **I.** "Economic revitalization zone" means a zone designated by the commissioner of resources  
16 and economic development as an economic revitalization zone in accordance with the provisions of  
17 this chapter.

18 **II.** "*Full-time job*" means a job that is at least 35 hours per week and is a  
19 *permanent, year-round position.*

20 265:9 Effective Date.

21 I. Section 7 of this act shall take effect July 1, 2020.

22 II. The remainder of this act shall take effect July 1, 2015.

23 Approved: July 20, 2015

24 Effective Date: I. Section 7 shall take effect July 1, 2020

25 II. Remainder effective July 1, 2015