

# ERZ FAQs for Businesses



## What is the ERZ Program?

ERZ stands for Economic Revitalization Zone. The ERZ tax credit program, which is detailed in RSA 162-N, offers a short term business tax credit for projects that improve infrastructure and create jobs in designated areas of a municipality.

## Why were ERZs established?

The ERZs were established to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl, and increase tax revenues within the state by encouraging economic revitalization in designated areas.

## How is an ERZ defined?

An Economic Revitalization Zone means a zone with a single continuous boundary, designated in accordance with RSA 162-N:8, and having at least one of the following characteristics:

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

A community must request that a site or contiguous area be designated as an ERZ by DRED. Each ERZ is evaluated every five years to assess whether the designation is still eligible.

## How much is available in tax credits?

The State of New Hampshire has designated \$825,000 statewide, per year, to be made available for ERZ tax credits.

## How long will this initiative be in place?

This program will be in place until 2020, or until the State law governing ERZs is repealed or amended.

## How does a business qualify?

For a business to qualify for an ERZ tax credit, it must create a least one (1) new job in the state and meet the following criteria:

- The business must be physically located in an approved ERZ;
- Investment in plant or equipment must be made directly by the business applying for the ERZ tax credit;
- Jobs created must be full time, direct employees, and not be contracted or 'temp' jobs;
- The investment and the job creation must take place within one calendar year.

## What is the process for a business to apply for an ERZ tax credit?

To apply for the tax credits you must fill out form ERZ-2 available from the Department of Resources and Economic Development's [website](#).

The deadline to apply is Feb. 10 of the year following the applicant's tax year.

## How is the credit calculated?

The credit is based on a percent of the salary for each new full time job created and the lesser of: either a percent of the actual cost incurred for the project or a maximum credit for each new job created in the fiscal year.

## What is considered a full time job?

A full time job is at least 35 hours per week and is a permanent, year-round position.

## How is the credit applied to my tax liability?

The tax credits shall be available to the taxpayer only for tax liabilities arising during tax periods including the tax period for which the tax credit is applied, up to an additional five (5) consecutive tax periods following the date of certification by the DRED commissioner.

The maximum amount of tax credit is \$240,000 per application, and the maximum applied per year by a taxpayer is limited to \$40,000.

## Who do I call with additional questions?

Contact the Division of Economic Development at (603) 271-2591.

# New Hampshire Division of Economic Development Economic Revitalization Zone Tax Credits (Res 2500)

## TAX CREDIT CERTIFICATION ~ FORM ERZ-2 for BUSINESS APPLICANTS

Complete and mail by Feb. 10 following the applicant's tax year to:

NH Division of Economic Development  
ERZ Program Administrator  
172 Pembroke Rd.  
Concord, NH 03301

Follow the instructions given in each section and TYPE all information.

Provide an **original, signed, and completed application**, including all attachments. *Electronic applications are not accepted.*

### SECTION A – INFORMATION

Taxpayer/Business Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Mailing Address: Street/PO Box: \_\_\_\_\_

City/Town/State/Zip code: \_\_\_\_\_

Contact: \_\_\_\_\_ Email address: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Taxpayer's Filing Period: \_\_\_\_\_

#### **ERZ Tax Credit Eligibility:**

1. Provide street address or tax map/lot of the business within the ERZ:
2. Provide a copy of the ERZ tax credit designation letter of certification issued to the city or town by the Department of Resources and Economic Development.

#### **ERZ Project Description:**

3. Describe in detail the project and actual investment costs, including copies of cost invoices, etc. Include a separate page and copies of documents as necessary.

4. Duration of the project: Start date: \_\_\_\_\_ Completion date: \_\_\_\_\_



## SECTION C – DOCUMENT CHECKLIST

**Instructions:** Attach copies of the following with your application.

Checklist:

\_\_\_\_\_ Documentation indicating detailed actual investment in the project (not estimated) in the calendar year.

\_\_\_\_\_ Copy of the ERZ tax credit designation letter of certification issued to the local city or town by the Department of Resources and Economic Development.

## SECTION D – PROJECT GUARANTEE/SIGNATURES

**Instructions:** Taxpayer must initial acceptance of the following guarantee.

It shall be the responsibility of the Taxpayer to guarantee that all elements of the project are completed. Failure to complete a project shall result in the Taxpayer's forfeiture of remaining credits (Res 2506.1).

\_\_\_\_\_ (INITIALS)

Taxpayer Signature: \_\_\_\_\_ Date \_\_\_\_\_

Type/Print Name: \_\_\_\_\_ Title \_\_\_\_\_

~Office Use Only~

APPROVAL:

\_\_\_\_\_  
Jeffrey J. Rose, Commissioner

\_\_\_\_\_  
Date

Department of Resources and Economic Development