

New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301

TECHNICAL INFORMATION RELEASE
TIR 2012-003 Date July 10, 2012

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Tax Services at (603) 230-5920.

New Hampshire 2012 Property and Timber Tax Law Changes

The purpose of this Technical Information Release (TIR) is to provide New Hampshire cities and towns, as well as taxpayers, with a convenient reference guide of relevant statutory changes made during the 2012 Legislative Session by the New Hampshire General Court impacting Property Tax and Timber Tax laws. This TIR is for informational purposes only and is intended to provide a summary or synopsis of enacted legislation. It is not intended to be relied upon as full and complete text or as a substitute for the actual state law. Please refer to the applicable statute and rules to determine how this information applies to specific persons or situations.

Senate Bill 306 (Chapter 186, Laws of 2012) makes the application procedure for the property tax exemption for commercial and industrial construction prospective and permanently extends the authority for the exemption. Under the new law, an owner must apply for the exemption under RSA 72:76 prior to construction, but not after December 31 before the beginning of the tax year for which the exemption is sought.

The selectmen or assessors shall notify the applicant of their decision no later than February 28 before the beginning of the tax year for which the exemption is sought. The decision shall specify the amount of the exemption, which it is effective with the new tax year and the number of years for which the exemption applies to qualified construction. The decision of the selectmen or assessors may be appealed in the manner set forth in RSA 72:34-a.

The new law also expands the municipal budget law to include municipal economic development and revitalization districts.

Effective: June 11, 2012

Amended: RSA 72:78, RSA 32:2, RSA 32:3, IV, RSA 162-K:12 and repeals Chapter 224:4, Laws of 2008.

Senate Bill 326 (Chapter 286:1 and 286:2, Laws of 2012) Section 1 repeals RSA 122:4, II, relative to reimbursement to towns and cities of moneys owed by other states. In Section 2, notwithstanding RSA 122:4, II, if any other state in a river management compact with the State of New Hampshire makes a payment in any amount on an arrearage to the State of New

Hampshire, then within 30 days of receiving such payment, the State Treasurer shall distribute such money to the towns affected by RSA Chp. 484 in the manner prescribed by RSA 122:4, I for the fiscal years ending June 30, 2012 and June 30, 2013. Any additional funds shall lapse to the general fund on June 30, 2013.

Effective: Section 1 is effective July 1, 2013 and Section 2 is effective June 27, 2012.

Amended: repeals RSA 122:4, II with contingency.

Senate Bill 382 (Chapter 169, Laws of 2012) establishes the procedure for the proration of assessments for property taxes for taxable buildings damaged due to unintended fire or natural disaster to the extent that the building can no longer be used for its intended use. Under new section RSA 76:2, whenever a taxable building is damaged due to unintended fire or natural disaster to the extent that it renders the building not able to be used for its intended use, the assessing officials shall prorate the assessment for the building for the current tax year. A person aggrieved of a property tax for a building damaged due to unintended fire or natural disaster to the extent that it renders the building not able to be used for its intended use shall file an application with the assessing officials in writing within 60 days of the event that damaged the building. The proration of the building assessment will be based on the number of days the building was available for its intended use divided by the number of days in the tax year, multiplied by the building assessment. The total tax reduction from this proration for any city or town shall be limited to an amount equal to $\frac{1}{2}$ of 1% of the total property taxes committed in the tax year. If the assessing officials determine that it is likely that this limit will be reached, the proration shall not be applied to any additional properties.

Proration of the assessment will be denied if the assessing officials determine that the applicant did not meet the requirements of RSA 76:2 or acted in bad faith. Nothing in this new law limits the ability of the assessing officials to abate taxes for good cause shown pursuant to RSA 76:16.

Effective: April 1, 2013

Amended: RSA 76:2 and new section RSA 76:21

House Bill 1207 (Chapter 141, Laws of 2012) changes the definition of an owner of timber rights for purposes of the Timber Tax under RSA Chp. 79 to address joint tenants and tenants in common. More specifically, for purposes of joint tenants or joint tenants with rights of survivorship, "owner" is every owner that holds title to the subject property. And, for purposes of tenants-in-common, "owner" is any one or more of the tenants-in-common that hold title to the subject property. Any one or more of tenants-in-common may sign an Intent to Cut provided, however, that non-signing tenants-in-common shall have been notified by certified mail by the applicant of the Intent to Cut at least 30 days prior to cutting and that a bond or surety is filed to secure payment of the yield tax if any tenant-in-common does not sign or give a power of attorney to sign a notice of Intent to Cut.

Effective: July 1, 2012

Amended: RSA 79:1, II(a)

House Bill 1266 (Chapter 30, Laws of 2012) requires the Assessing Standards Board to recommend “standards” rather than “guidelines.”

Effective: April 1, 2013

Amended: RSA 21-J:14-b, I and II

House Bill 1302 (Chapter 14:3, Laws of 2012) Section 3 allows the Department of Revenue Administration to annually equalize the valuation of property which is subject to tax relief under RSA Chp. 79-E, Community Revitalization Tax Relief Incentive.

Effective: July 1, 2012

Amended: RSA 21-J:3, XIII

House Bill 1311 (Chapter 31, Laws of 2012) updates a reference to the homestead exemption amount in the notice provided to homeowners prior to an execution sale of the property. The exemption reference is increased from \$30,000 to \$100,000 for a single person and increased from \$60,000 to \$200,000 for a married couple.

Effective: July 1, 2012

Amended: RSA 529:20-a

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.