

# *Economic Revitalization Zone* *formally know as a “Crop Zone”*

The Economic Development Economic Revitalization Zone is an incentive for new and existing business’s to relocate, expand or create new jobs in New Hampshire.



# Four Steps -

- 1. The municipality has to apply to DRED to create a district and be approved**
2. The company has to be in this district and apply to DRED for approval
3. Calculate the tax credit
4. Tax credit is applied to company's yearly tax return

# **Don't worry: the ERZ tax credit does not cost the City anything!**

- **It is actually a benefit—it can help Dover attract new business or retain current business.**
- **The tax credit goes to companies in Dover and comes from the state's general fund.**
- **Creating ERZ Districts doesn't effect the property value**

<b>•Antrim</b>	<b>•Hudson</b>
<b>•Berlin</b>	<b>•Jaffrey</b>
<b>•Claremont</b>	<b>•Keene</b>
<b>•Colebrook</b>	<b>•Manchester</b>
<b>•Conway</b>	<b>•Nashua</b>
<b>•Gilford</b>	<b>•Northumberland</b>
<b>•Gorham</b>	<b>•Rochester</b>
<b>•Haverhill</b>	<b>•Somersworth</b>
<b>•Hinsdale</b>	<b>•Stratford</b>
	<b>•Winchester</b>

# How does a District Qualify?

At least one of the following  
Criteria



Essex Mill site prior to cleanup,  
Newmarket New Hampshire

1) A Brownfield site under  
RSA 147-F

<http://des.nh.gov/organization/divisions/waste/hwrb/sss/brownfields/index.htm>



New Bryant Rock Town Houses,  
Newmarket, New Hampshire.

OR

(a) The population of the municipality or municipalities in which the zone is located, according to the most recent federal census, decreased during the 20 years prior to the census.

(b) The median household income in the census tract or tracts in which the zone is located is less than \$40,500 according to the most recent federal decennial census.

(c) At least 20 percent of households in the census tract or tracts in which the zone is located have a median income below the federal poverty level

# d)(1) The district contains either

(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, age, obsolescence, deterioration, relocation of the former occupant's operations, or cessation of operation resulting from unfavorable economic conditions either generally or in a specific economic sector;

and

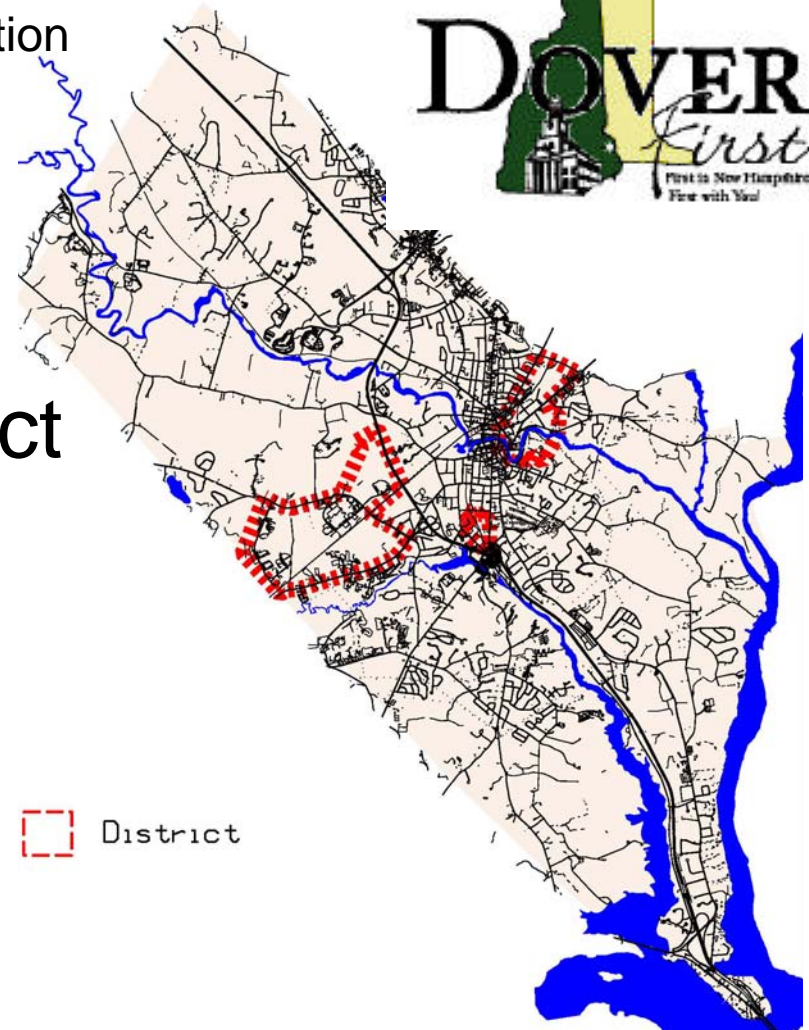
(2) **Certification of the zone as an economic revitalization zone would likely result in the reduction of the rate of vacant or demolished structures or the rate of tax delinquency in the zone.**

# CITY OF DOVER, NEW HAMPSHIRE

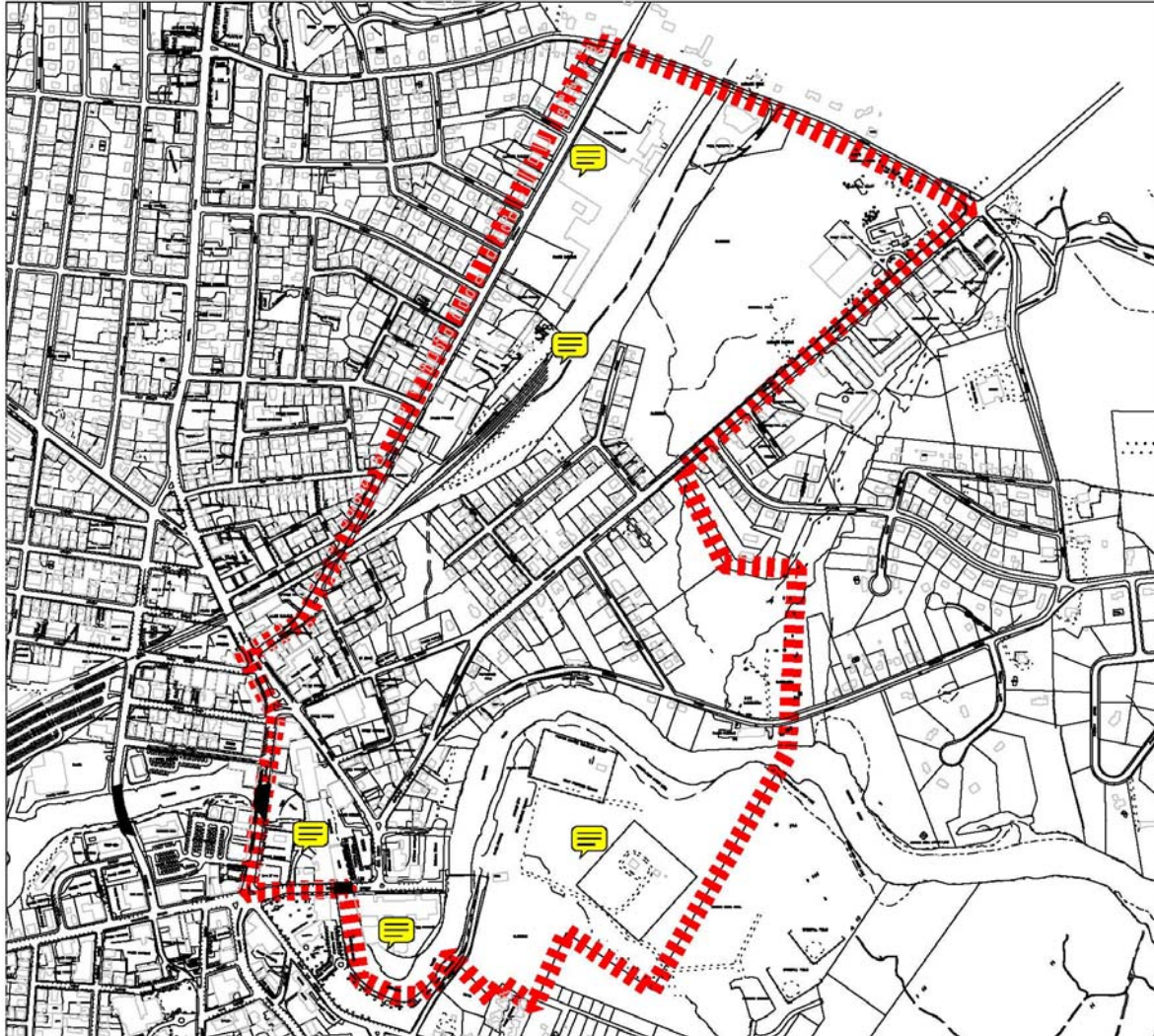
## Economic Revitalization Zone Application



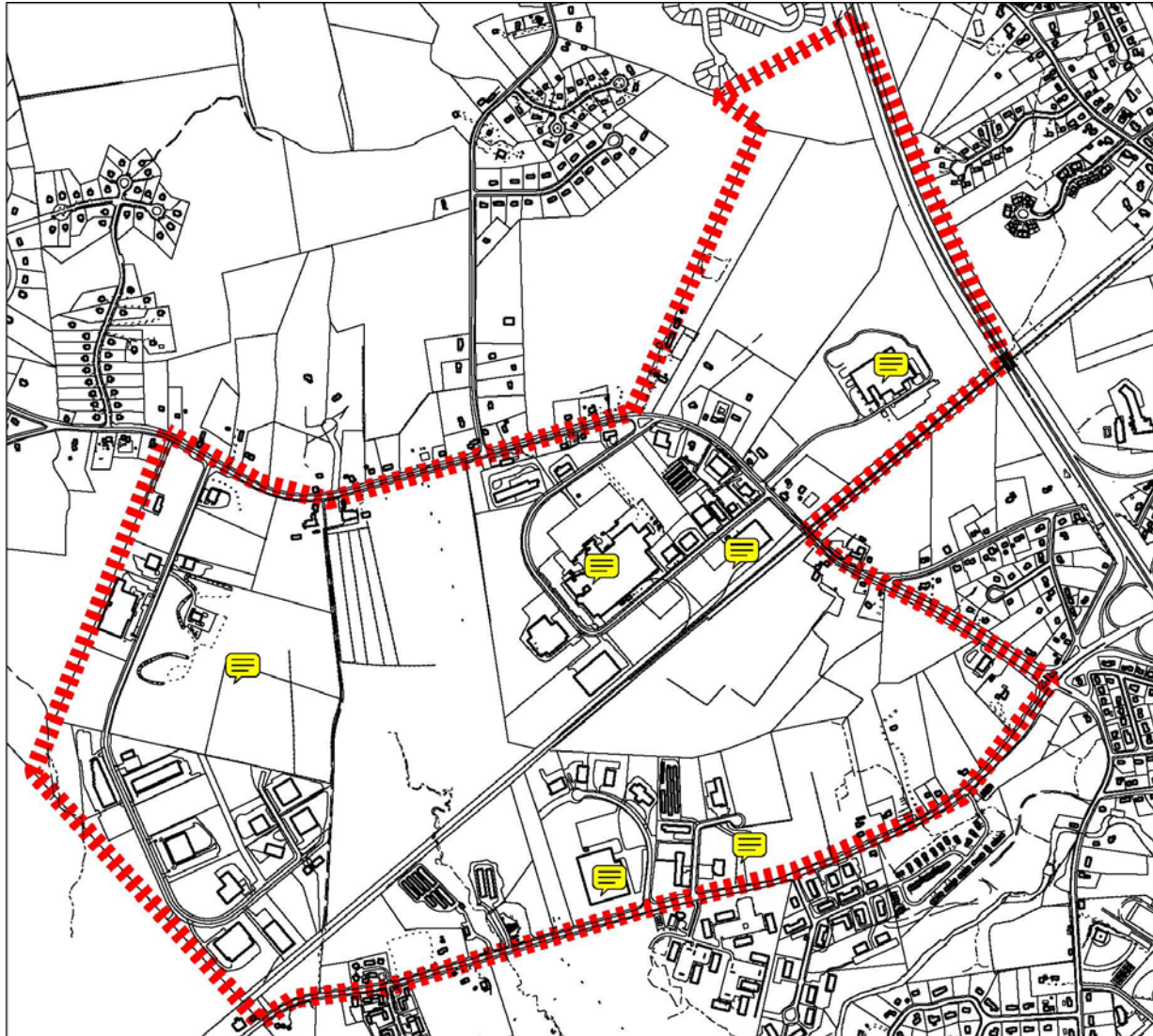
- Central Business District
- Industrial Park
- Locust Street



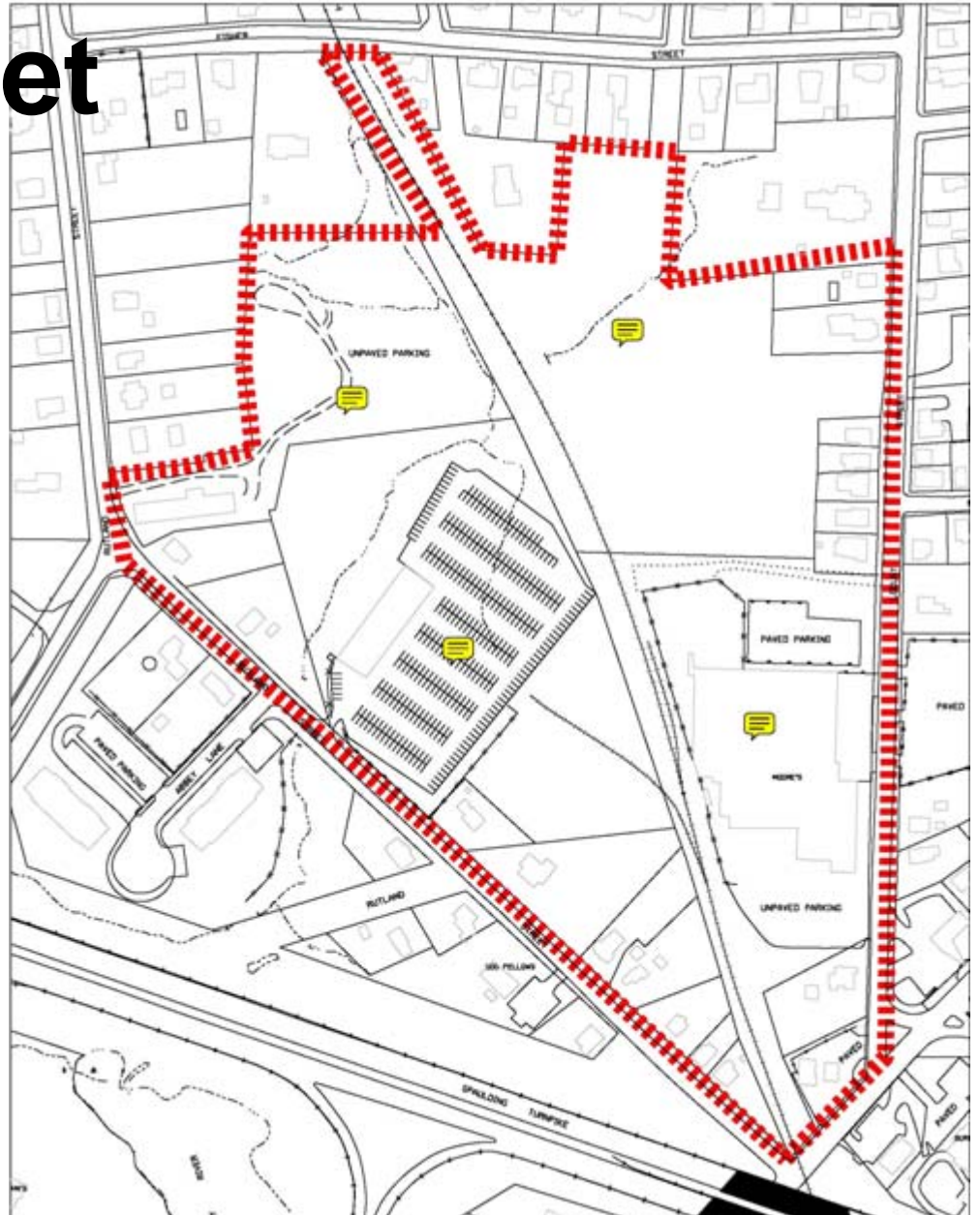
# Central Business District



# Industrial Parks



# Locust Street



# Benefits to your City

- Additional incentive for economic growth
  - Incentive and recruitment tool for new Business's to enter your town
  - Investment in revitalizing industrial or underutilized commercial land
  - Expansion incentives for current occupants
  - Additional Job Creation and Reinvestment into the local economy





- Once your application is received by DRED and approved your done!
  - No renewal
  - No additional paperwork

### Next Steps

1. Public awareness
2. Press Release
3. City Hall meeting with business located in ERZ Zone for educational seminar

# District Approved !

## How do I apply for the credits?

### Economic Revitalization Zone Tax Credit Agreement – Between the Business and DRED

- Quality and quantity of jobs to be created.
- Duration of the taxpayer's commitments with respect to the economic revitalization zone.
- The amount of the taxpayer's investment in the project.
- A precise definition of the location of the facility eligible for the credit.
- The maximum amount of the economic revitalization zone tax credit that will be allowed to the business under this agreement for jobs created and for construction or reconstruction expenses.

# How is the Cap Defined?

- **II. The *lesser* of the following:**
  - (a) 4 percent of the salary for each new job created in the fiscal year with a wage less than or equal to 1.75 times the then current state minimum wage.**
  - (b) 5 percent of the salary for each new job created in the fiscal year with a wage greater than 1.75 times the then current state minimum wage and less than or equal to 2.5 times the then current state minimum wage.**
  - (c) 6 percent of the salary for each new job created in the fiscal year with a wage greater than 2.5 times the then current state minimum wage.**
  - (d) 4 percent of the lesser of the following:**
    - (1) The actual cost incurred in the fiscal year of creating a new facility or renovating an existing facility, and expenditures for machinery, equipment, or other materials, except inventory.**
    - (2) \$20,000 for each new job created in the fiscal**

# The economic revitalization zone tax credit shall be applied

- Against the **Business Profits Tax**

under RSA 77-A

- Unused portion there may be applied against the **Business Enterprise Tax**

under RSA 77-E

**Cap Yearly benefit of  
\$40,000.00  
With Maximum  
\$200,000.00  
Over 5 Years**

