

ERZ FAQs for Communities

What does “ERZ” stand for?

“ERZ” stands for Economic Revitalization Zone.

Why were ERZs established?

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 can a community benefit from ERZs?

Communities benefit from ERZs by the job growth of its businesses located in the community, and by potential growth of the local tax base due to expansion of the business’s plant and equipment assets. For a business to qualify for an ERZ tax credit it must invest in plant or equipment and / or 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 may be full time or part time direct employees, and not be contracted or “temp” jobs.
- The investment and / or the job creation must take place within one calendar year.

How is an ERZ defined?

A community must request that a site or contiguous area be designated as an ERZ from DRED.

An ERZ must be either:

- A. A “Brownfield” zone (An industrial or commercial property that remains abandoned or underutilized in part because of environmental contamination or the fear of such contamination)
- B. Or has at least one of these characteristics:
 1. There has been a population decrease over the past 20 years (according to census readings).
 2. At least 51% of the households in the area have incomes less than 80% of the median income for households in the state.
 3. At least 20% of the households have a median income level below the poverty level.
 4. The zone contains:
 - I. Unused or underutilized industrial parks; or
 - II. Vacant land, or structures previously used for industrial, commercial, or retail

purposes and designation of the zone as an ERZ zone would likely result in the reduction of the rate of vacant or demolished structures or the rate of tax delinquency in the zone.

How much is available for 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This program will be in place indefinitely until the State law governing ERZs is repealed, amended or revised.

What is the process to create an ERZ in the Community?

To apply for the tax credits a community must complete Form ERZ-1 available from the Department of Resources and Economic Development. The application must include reference to the public record of acceptance by the governing body of the community.

Is there a fee to participate?

No, there is no application fee.

How is the credit calculated?

The credit is based on a percent of the salary for each new 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

How can a business in the community claim the credit?

The deadline to apply is February 10th of the year following the applicant’s tax year. To apply for the tax credits an applicant must complete form ERZ-2 available from the Department of Resources and Economic Development’s website:

<http://www.nheconomy.com/expand-to-nh/incentives.aspx>

Who can I call with additional questions?

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