

RSA 79-E: Community Revitalization Tax Incentives

The Community Relief Tax Incentive program is a state law that is managed by the Town. It must be adopted by the Town (which Hillsborough has done) and is managed through the Select Board. Also known as RSA 79-E, the Incentive encourages investment in downtowns and village centers by delaying the potential tax impact associated with making improvements to eligible buildings.

What Are RSA 79-E: Community Revitalization Tax Incentives?

RSA 79-E gives the governing body (which in Hillsborough is the Board of Selectmen) the authority to defer some or all of the tax increase on a property due to renovations or replacements, for a period of up to 13 years. In return, the property owner grants a “benefit” to the community. This could be needed housing, jobs, or something else the Board of Selectmen sees as beneficial to the community.

An economic development example: a restaurant constructs and addition to add seating and expand it’s operations.

A housing example: an underused, large home is rehabilitated into a duplex.

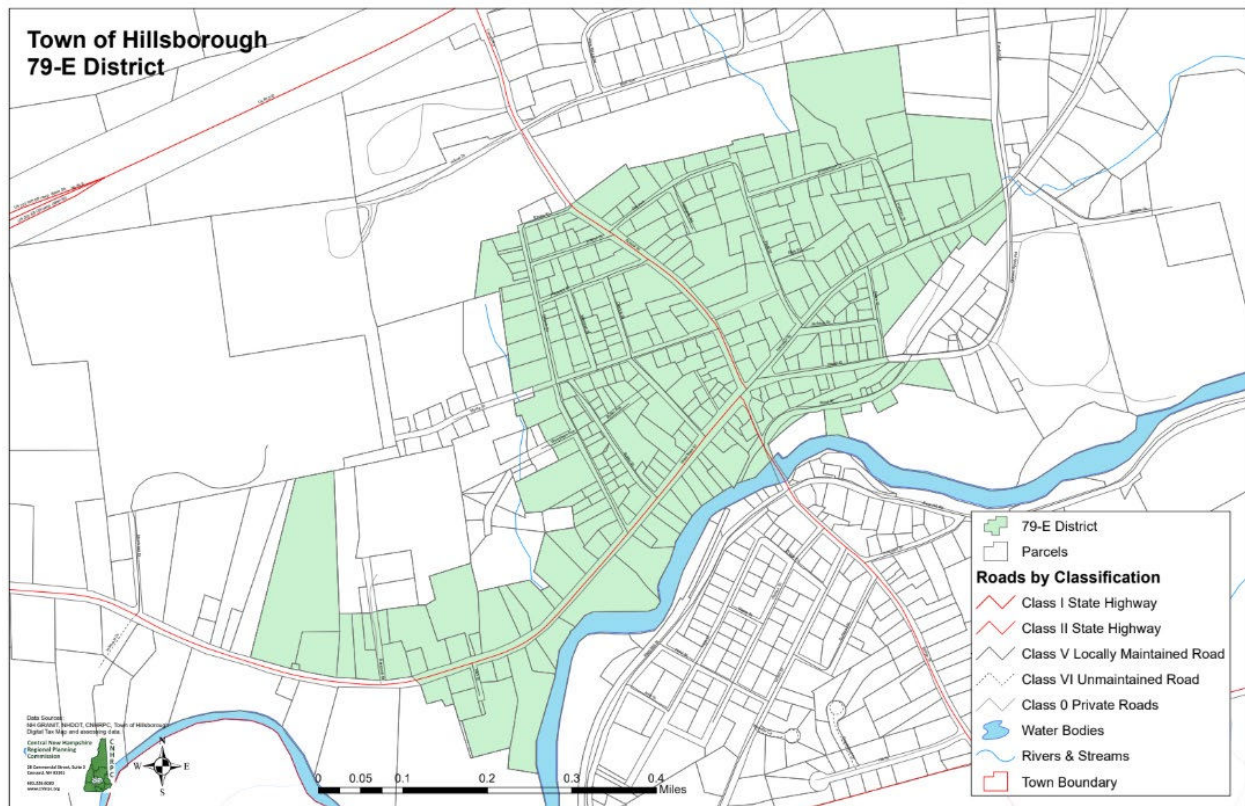
How Do They Work?

At it’s most basic level, the owner of an eligible property applies to the Board of Selectmen for relief for the proposed project (before the improvements are made). The Select Board may then chose to grant relief for the increase in taxes at a percentage and duration of time of their choosing. Lastly, a covenant describing the benefit to the community would be signed. Using the examples above, the restaurant would be granted relief for the addition and may sign a covenant saying they would add two new waitstaff positions, while in the housing example the owner may say they would be providing housing that is affordable to the average person in Hillsborough.

A Community Relief Tax Incentive ([NH RSA 79-E](#)) are eligible for certain properties. A property owner can apply for the tax relief only if:

- The building is in a downtown district (or equivalent neighborhood business district), as defined by the community*, or is a historic structure whose preservation and reuse would conserve the embodied energy in existing building stock.
- The rehabilitation costs at least 15% of the building’s pre-rehab assessed value, or \$75,000, whichever is less; and
- The rehabilitation is consistent with the municipality’s master plan or land development regulations.

* Per RSA 79-E:2, II, a development is only eligible for this relief, if the “building is located in a district officially designated in a municipality’s master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center.” A map of Hillsborough’s RSA 79-E district can be found below:



Want to Learn More or Apply?

Please contact Hillsborough’s Planning Director, Robyn Payson at 603.464.7971 and robyn@hillsboroughnh.net for more information on applying for 79-E tax incentives!