

Commercial/Industrial Property Tax Exemption

What is the Commercial/Industrial Property Tax Exemption (RSA 72:81)?

The *72:81 Exemption* allows the Town, on a case-by-case basis, to provide tax relief for all new construction of commercial or industrial uses, including for businesses to build, rebuild, modernize, or enlarge within the Town of Hillsborough. The tax relief is granted on municipal and local school property taxes for up to 5 years on a sliding scale, from 50% of the increase in assessed value in Year 1 down to 10% of the increase in assessed value in Year 5.

For the purposes of this exemption, the term “new construction” shall mean new structures, additions, renovations, or improvements to existing structures. The term “commercial” shall include commercial uses defined in the Hillsborough Zoning Ordinance, as it may be amended from time to time.

The exemption shall apply only for municipal and local school property taxes assessed by the municipality which shall exclude state education property taxes under RSA 76:3 and county taxes assessed against the municipality under RSA 29:11, and shall be a specified percentage on an annual basis of the increase in assessed value attributable to construction of new structures, and additions, renovations, or improvements to existing structures, but which shall not exceed 50 percent per year. The exemption may run for a maximum period of 10 years following the new construction.

How Do They work?

The delay in tax impact is intended to encourage new businesses to come to Hillsborough while supporting existing local businesses looking to improve or expand their operations. The property tax exemption is available only for commercial and industrial uses within the Commercial/Industrial Districts.

Applicants must demonstrate the amount and value of public benefit provided based on one of the following four criteria:

1. Enhance economic growth and increase the Town's tax base
2. Creation of needed services or facilities not currently available in the Town
3. Redevelop or revitalize commercial or industrial area; prevent or eliminate blight
4. Retain local jobs, increase local job base, and/or provide diversity in the job base

Want to Learn More or Apply?

To apply or learn more including frequently asked questions, you can contact Hillsborough's Planning Director, Robyn Payson at [\(603\) 464-7971](tel:6034647971) and robyn@hillsboroughnh.net.