

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department for 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 specific to this Technical Information Release should be directed to the New Hampshire Department of Revenue Administration, Community Services Division, 45 Chenell Drive, Concord, NH 03301 or (603) 271-2687.

### **CHAPTER 103 EXCAVATION TAX; EXCAVATION AREA**

Originally, RSA 72-B was comprised of two taxes. The Excavation Tax and the Excavation Activity Tax. The Excavation Tax is on the earth removed, and the Excavation Activity Tax was on the land area. The Excavation Tax has not been affected by Chapter 103 (House Bill 1414). The \$.02 per cubic yard tax and procedures remain the same as they were before. The major impact of the law change is in the way that the excavated un-reclaimed land is to be assessed.

Prior to the enactment of Chapter 103 (House Bill 1414), the excavated un-reclaimed land area was exempt from taxation under RSA 72:6 and RSA 72:13 and was instead subject to the Excavation Activity Tax. The Excavation Activity Tax required a separate assessment, separate warrant, and separate tax appeal.

RSA 72-B:1 was repealed and reenacted to now read as Excavation Tax and Taxation of Excavation Area. The New RSA 72-B:1, II requires the excavations be taxed as real property pursuant to RSA 72:6 independent of any earth contained therein. All references and procedures relevant to the administration of the Excavation Activity Tax have been repealed or deleted from the law.

In determining the value of the excavated land area, the assessing officials may consider the commercial or industrial nature of the operation. The assessing officials cannot include the value of the earth in the value determination.

The value of the excavation area may be included on the real property assessment card and **no** longer needs to have a separate assessment, separate warrant or separate tax appeal.

***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 NH Dept. of Revenue Administration, Community Services Division, 45 Chenell Drive, Concord, NH 03301 or (603) 271-2687.***