

**New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2009-001 Date: January 5, 2009**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or 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 should be directed to Customer Service at (603) 271-2191.

Coos County Job Creation Tax Credit

During the 2008 session, the Legislature enacted a Coos county job creation credit against business taxes paid to the State of New Hampshire under 2008 Laws of New Hampshire, Chapter 172. The credit is granted to businesses for each new, full time, year-round employee hired in Coos county for which actual wages paid, including the amount paid by the employer for medical and dental benefits, exceeds 150 percent of the current state minimum wage (\$6.50 through July 23, 2008, \$6.55 between July 24, 2008 and August 31, 2008, \$7.25 on or after September 1, 2008). The amount of the credit is based upon the proportion that the wage for the new employee exceeds the minimum wage. If the proportion of the wage for the new employee is equal to or greater than 150% of the minimum wage but less than 200% of the minimum wage, the amount of the credit shall be \$750. If the proportion of the wage for the new employee is equal to or greater than 200% of the minimum wage, the amount of the credit shall be \$1,000.

The credit is for each "qualified tax credit employee" hired during taxable years ending on or after June 9, 2008. The credit shall be granted for up to 5 consecutive tax periods for each "qualified tax credit employee." "Qualified tax credit employee" does not include an employee that shifted to a new position because of a merger, acquisition or restructuring. Employees who are laid-off and rehired within 270 days to the same or similar position do not qualify to for the credit. Additionally an employee must have been on the employer's payroll for at least 90 days prior to the date on which the employer claims the credit for the first tax period. If the position ceases to exist at any time during the 5 consecutive tax periods, the employer may not claim the credit for any period in which the position ceases to exist or for any future tax periods within the 5 consecutive tax periods.

The credit is first applied against a business organization's business enterprises tax liability for the current year. Any unused portion is then applied against a business organization's business profits tax liability for the current year. Any unused portion of the credit is carried forward against subsequent year's business enterprise and then business profits tax liability for up to five years. For purposes of determining the amount of the credit for business enterprise taxes paid, the Coos job creation credit will be considered taxes paid under RSA 77-E.

The Coos County Job Creation Tax Credit Application, DRED Form CJCTC-1a, is available on the Department's website, www.nh.gov/revenue and by calling the Department's forms line at (603) 271-2192. Applications for the first fiscal year, ending on or after June 9, 2008, of the credit shall be filed with the Department of Resources and Economic Development, Division of Economic Development. The Commissioner of the Department of Resources and Economic Development shall notify each applicant of the amount of each credit, if any, awarded

to the applicant. After, being initially granted, the credit is renewable for up to four consecutive additional years. The Department of Resources and Economic Development will not issue an initial award of a credit for years ending after December 31, 2013 and will not renew any credit for years ending after December 31, 2017.

Taxpayers who have been awarded a credit from the Department of Resources and Economic Development must enter the amount awarded on either the DP-160, Schedule of Business Profits Tax Credits, or the DP-160-WE, Schedule of Business Profits Tax Credits for Combined Groups, if filing as a member of a unitary group, and attach the form DP-160 or DP-160-WE to the Business Tax return filed with the Department of Revenue Administration for tax years ending after June 9, 2008.

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 N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 271-2318.