

HB 1707-FN - AS INTRODUCED

2026 SESSION

26-2613

07/06

HOUSE BILL ***1707-FN***

AN ACT creating an additional property tax for certain unoccupied properties and creating a housing transfer tax exemption for certain low- and moderate-income home buyers.

SPONSORS: Rep. Read, Rock. 10; Rep. Wheeler, Hills. 33; Rep. H. Howard, Straf. 4

COMMITTEE: Ways and Means

ANALYSIS

This bill creates an additional property tax for certain unoccupied properties and creates a housing transfer tax exemption for certain low- and moderate-income home buyers.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT creating an additional property tax for certain unoccupied properties and creating a housing transfer tax exemption for certain low- and moderate-income home buyers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Taxation; Persons and Property Liable to Taxation; Supplemental Residence
2 Tax. Amend RSA 72 by inserting after section 6-a the following new section:

3 72:6-b Unoccupied Housing Tax. Any owner of property that is unoccupied for at least 6 months
4 of the tax year, or is occupied as a short-term rental for at least 6 months of the tax year, shall be
5 required to pay to the department of revenue administration a sum equal to the total of all property
6 taxes, fees, and interest owed on that property to any municipality, city, town, village, or
7 unincorporated place.

8 2 New Section; Taxation; Tax on Transfer of Real Property; Transfer Tax Exemption. Amend
9 RSA 78-B by inserting after section 13 the following new section:

10 78-B:14 Transfer Tax Exemption.

11 I. There shall be a one-time exemption allowed against the entirety of the tax due under this
12 chapter in any given tax year.

13 II. No exemption shall be allowed under this section unless the person applying therefor:

14 (a) Is the buyer of a property;

15 (b) Does not currently own any other property; and

16 (c) Has a household with an income for the preceding year of no more than 100 percent
17 of the median income for a 3-person household for the metropolitan area or county in which the
18 housing is located as published annually by the United States Department of Housing and Urban
19 Development; or

20 (d) Is the owner of a property being sold to a qualifying buyer under subparagraphs (a)
21 and (b).

22 3 Effective Date. This act shall take effect April 1, 2027.

**HB 1707-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT creating an additional property tax for certain unoccupied properties and creating a housing transfer tax exemption for certain low- and moderate-income home buyers.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

| Estimated State Impact | | | | |
|--------------------------|---------------------------------------|----------------|---------|---------|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Revenue | \$0 | Indeterminable | | |
| <i>Revenue Fund(s)</i> | General Fund and Education Trust Fund | | | |
| Expenditures* | \$0 | \$300,000 | \$0 | \$0 |
| <i>Funding Source(s)</i> | General Fund | | | |
| Appropriations* | \$0 | \$0 | \$0 | \$0 |
| <i>Funding Source(s)</i> | None | | | |

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill creates the Supplemental Residence Tax (SRT), also referred to as an Unoccupied Housing Tax, which would apply to properties that are either unoccupied or used as short-term rentals for at least six months of the tax year. Owners of these properties would be required to pay an amount equal to the total of all property taxes, fees, and interest owed to municipality, city, town, village, or unincorporated place. The bill establishes a one-time exemption from the Real Estate Transfer Tax (RETT) for a person who, is the buyer of a property, does not currently own any other property, has a household income, for the previous year, that does not exceed the average income for a three-person household in the county or metropolitan area where the home is located, as determined annually by the U.S. Department of Housing and Urban Development (HUD), as well as for sellers transferring property to such qualifying buyers

The Department of Revenue Administration (DRA) states this bill would result in an indeterminable increase in general fund revenue due to the new SRT, beginning in FY 2028, and an indeterminable decrease in both general fund and education trust fund revenue due to the RETT exemption, beginning in FY 2027. DRA is unable to estimate the potential reduction resulting from the exemption due to a lack of clarity regarding its intended application and the absence of data indicating what proportion of RETT transactions would be eligible. DRA also estimates a one-time administrative cost of \$300,000 in FY 2027 to implement systems for

collecting the SRT. Furthermore, DRA indicates it is not clear what is meant by “one-time exemption,” and “the entirety of the tax due under this chapter in any given tax year,” and whether this exemption is intended to mean that a buyer or a seller may only claim the exemption once in their lifetime, once per property, once per person per tax year, or something else. Additionally, DRA also notes the proposed legislation creates new RSA section 78-B:14, but that RETT has many other exemptions that are contained in RSA 78-B:2.

Using available property and census data, DRA estimates that the SRT could potentially generate approximately \$922.6 million annually, though this figure is based on assumptions and approximations that may not fully align with the bill’s criteria. DRA used its mass appraisal data from 2024, selected only single family homes, single residential condos, residential buildings only, multi-family 204 units, and mixed use residential. This resulted in a total home count of 476,005 with an assessed value of approximately \$221.1 billion. DRA then applied this data to the 2020 U.S. Census Bureau data regarding the percentage of 2nd homes in NH, however this is not exactly what the bill proposes as the bill proposes the 6-month occupation period, but this data is the best available to get an approximate estimate. Additionally, census data can be unreliable, particularly when it comes to small towns.

DRA next multiplied the rounded counts by the total locally assessed property value for each town and multiplied by the municipal property tax rate for each town. Unincorporated areas and towns with a negative municipal tax rate were set to a rate of 0%. See the full breakdown below:

| Total Home Count | Average Assessed Value | Total Assessed Value | % 2nd Homes | Estimated Count of 2nd Homes | Estimated Total Assessed Value of 2nd Homes | Potential SRT (Rounded) |
|-------------------------|-------------------------------|-----------------------------|--------------------|-------------------------------------|--|--------------------------------|
| 476,005 | \$464,562 | \$221,133,834,810 | 9.9% | 47,249 | \$24,862,232,856 | \$922,600,000 |

Since property taxes are currently administered at the local level, the Department of Revenue Administration (DRA) assumes that this tax would likewise be locally administered and subsequently remitted to the state by municipalities. While the method and timing for determining occupancy status remain unclear, municipalities are best positioned to make these determinations.

The New Hampshire Municipal Association (NHMA) states that this bill does not create any new responsibilities on municipalities related to occupancy monitoring, certification, property tax billing, or reporting. All revenue generated under the bill is remitted directly to the Department of Revenue Administration.

AGENCIES CONTACTED:

Department of Revenue Administration and New Hampshire Municipal Association