

DEVELOPERS AND BUYERS OF NEW DWELLING UNITS IN THE CITY OF PORTSMOUTH

Regarding new dwelling units (condos, townhouses, etc.) completed after April 1st and before March 31st, there are some important facts to understand in connection with property tax billing and collection in the City of Portsmouth.

TAX YEAR	<p>April 1 – March 31</p> <ul style="list-style-type: none"> Portsmouth bills once a year (late fall) with the 1st installment due in December and the second in June of the following calendar year. Unlike other NH municipalities, Portsmouth bills in arrears. <p><i>Example: The 2021 Tax Year (April 1, 2021 – March 31, 2022) is billed in late fall 2021. The 1st installment is due in December 2021, and the second in June 2022.</i></p>
ASSESSMENTS	<p>Per NH State Statute, properties are assessed as they exist on April 1st, the beginning of the tax year.</p> <ul style="list-style-type: none"> New dwelling units completed after April 1st will not be assessed individually until the following April 1st, and will not be billed individually until the following fall. <p><i>Example: A new condo unit is completed in June of 2021. It will not be assessed individually until April 2022, and the first individual bill would be in late fall 2022.</i></p>
BILLS/NOTICES	<p>Per NH State Statute, the Tax Collector is required to mail copies of all bills and notices to anyone with an ownership interest in a property.</p> <ul style="list-style-type: none"> Even if a unit is not yet being individually assessed and billed, anyone who purchases one of these new units will, from the time the purchase is recorded at the registry of deeds, have an ownership interest and receive <u>copies</u> of the bills and any tax notices sent out for the parcel involved, as it existed on April 1st.
PAYMENTS	<p>The Portsmouth Tax Office will not accept payments marked for individual, newly-completed units until they are individually billed. They do not exist in the tax system until that time.</p> <ul style="list-style-type: none"> Any payments made for a new dwelling unit before its first individual billing will be returned to the payer. The primary owner of the property as it existed on April 1st is responsible for payment of taxes on the property, until the new dwelling unit is billed individually.
PRORATION	<p>Proration is a strictly private matter between the buyer and seller. The Portsmouth Tax Office will not get involved in proration calculations, tracking, or discussions about who owes what portion of the taxes.</p> <ul style="list-style-type: none"> If you purchase a new dwelling unit before it is individually billed, the closing agent may prorate the taxes. However, please keep in mind, the only taxes billed at that time would be to the owner of the parcel as it existed on April 1st. The City of Portsmouth Tax Office will not take prorated payments, or prepayments, for a new dwelling unit not yet individually assessed and billed. It is critical the seller and buyer work out who is responsible for what portion of the taxes. Prorated amounts should be paid to the seller and the seller should make payments to the City on the parcel as it existed on April 1st. If you have questions about proration, please check your closing documents and/or call the closing agent. The City cannot help you with proration questions.