New Hampshire

#6

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
6 –	38 ▼ 3	8 –	1 –	44 ▼ 1	25 ▼ 2

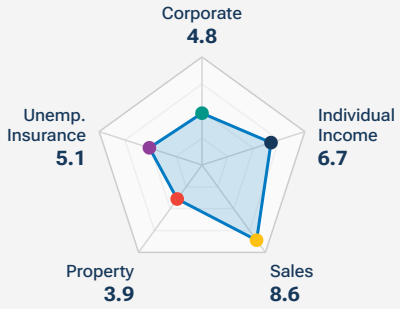
Like other states that forgo one or more major taxes, New Hampshire's lack of an individual income tax or sales tax yields an extremely competitive overall ranking despite relatively lower rankings on the corporate income tax and property tax components. New Hampshire joined the ranks of the individual income tax-free states when its interest and dividends (I&D) tax was phased out in January 2025, further solidifying the state's competitive standing.

The Granite State has taken steps to improve its corporate income tax structure by decoupling from the federal limitation on the deductibility of business net interest expenses, but New Hampshire has a short net operating loss (NOL) carryforward period of only 10 years, with a $10 million cap. Furthermore, the state does not offer bonus depreciation under Section 168(k), and it limits Section 179 expensing to $500,000. Additionally, New Hampshire has two different business taxes: the business profits tax and the business enterprise tax. The state is also penalized for its lack of conformity to federal schedules for the deductibility of natural resource depletion.

Without an individual income tax or sales tax, New Hampshire relies heavily on property taxes and corporate income taxes, with high rates that affect its scores on those components as a trade-off for its competitiveness compared to states that levy all the major taxes. Moving forward, New Hampshire could improve its competitiveness by adopting permanent full expensing and improving its treatment of NOLs.

Component scores

out of 10



New Hampshire and its neighbors

Overall rank, 2027 Index, with change from 2026

New Hampshire	#6	–
Maine	#40	▼ 7
Vermont	#42	▼ 1
Massachusetts	#45	▼ 1