



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Kathryn H. Temchack, Director of Real Estate Assessments

DATE: January 21, 2022

SUBJECT: Report of the Tax Exemption Policy Committee on revisions to the existing Elderly Exemption amounts and income and asset thresholds, the Blind Exemption, various Veteran Credit amounts, and the adoption of the Electric Energy Storage Systems Exemption

A handwritten signature in black ink, appearing to read "Kathryn", is placed over the "FROM:" and "DATE:" lines.

Recommendation

Accept this report and set a public hearing for adoption of the Tax Exemption Policy Committee's recommendation to increase the current elderly income and asset thresholds, and exemption amounts. Accept their recommendations not to make any changes to the current blind exemption, the existing adopted veteran credits, and no adoption of the electric energy storage systems exemption under RSA 72:85.

Background

The Tax Exemption Policy Committee met on January 18, 2022 and reviewed information submitted to them from the Director of Real Estate Assessments regarding the existing exemption amounts for the elderly and blind exemptions, the existing income and asset thresholds for the elderly exemption, and the existing veteran tax credits. A spreadsheet depicting the same information regarding the elderly, blind and various veteran credits that thirteen other communities have adopted was provided for comparison with those presently adopted by the City.

The current exemption and credit criteria and reductions are explained and outlined below:

Exemptions:

Exemptions are deductions from assessed values prior to calculating property taxes. For example, if the final assessment is \$275,000 and a property owner is eligible for the \$119,000 elderly exemption the tax bill would be calculated as follows:

\$275,000 Assessed Valuation
-\$119,000 Elderly Exemption Amount
\$156,000 /\$1,000 = 156.00 x \$25.12 tax rate = \$3,918.72

Elderly: Presently, the asset level for both single and married applicants is \$95,000 (not including the value of the person's residence). The current income thresholds are single: \$36,250 and married: \$50,750. The exemption amounts are: Ages 65-74/\$73,000; Ages 75-79/\$119,000 and Ages 80 and older/\$203,000.

The committee recommends the following adjustments to the elderly exemption income thresholds:

Income:	Single Applicants: \$37,300	Married Applicants: \$53,300
Assets:	Single Applicants: \$98,000	Married Applicants: \$98,000

The committee recommends increasing the Elderly Exemption Amounts 10% to:

Ages 65-74/\$80,000;
Ages 75-79/\$131,000;
and Ages 80 and older/\$223,000

Blind: The committee noted that unlike the elderly exemption there is no financial means testing for the blind exemption. The committee expressed its belief that the City's state delegation should be encouraged to consider legislating financial means testing for the blind exemption such as currently exists for the elderly and other property tax exemptions. The committee recommends no changes to the current adopted blind exemption.

Presently, the blind exemption is \$120,234. No change.

Credits:

Credits are deducted from the calculated tax bill. In the example shown earlier if the property owner is eligible for the veteran's tax credit of \$150.00 the final tax bill would be:

\$3,918.72 Tax bill after elderly exemption
-\$ 150.00 Veterans' tax credit deduction
\$3,768.72 Final tax bill

Veteran's Tax Credit and All Veterans' Tax Credit: Presently, the adopted tax credit is \$150.00. Recommend no change.

Totally & Permanently Disabled Veteran Credit: Presently, the tax credit is \$2,000.00. Recommend no change.

Widow of Veteran Killed During Active Duty: Presently, the tax credit is \$2,000.00. Recommend no change.

Adoption of RSA 72:85: No recommendation to adopt the electric energy storage systems exemption.
