



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Jonathan Rice, Director of Real Estate Assessments

A handwritten signature in black ink, appearing to be "JR", written over a horizontal line.

DATE: February 3, 2023

SUBJECT: Report of the Tax Exemption Policy Committee on revisions to the existing Elderly Exemption amounts and income and asset thresholds

Recommendation

Accept this report and set a public hearing for the adoption of the Tax Exemption Policy Committee's recommendations to increase the current elderly income and asset thresholds. Accept their recommendation not to make any changes to the current elderly exemption amounts.

Background

The Tax Exemption Policy Committee met on February 2, 2023 and reviewed information submitted to them from the Director of Real Estate Assessments regarding the existing exemption amounts, income and asset thresholds for the elderly exemption. A spreadsheet depicting the 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 elderly exemption criteria are explained and outlined below:

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 \$131,000 elderly exemption the tax bill would be calculated as follows:

\$275,000 Assessed Valuation
-\$131,000 Elderly Exemption Amount
\$144,000 /\$1,000 = 144.00 x \$25.89 tax rate = \$3,728.16

Presently, the asset threshold for both single and married applicants is \$98,000 (not including the value of the applicant's primary residence). The current income thresholds are single: \$37,300 and married: \$53,300. The exemption amounts are: Ages 65-74/\$80,000; Ages 75-79/\$131,000 and Ages 80 and older/\$223,000.

A list indicating the reasons for denial of the 2022 elderly exemption applicants was reviewed. The committee noted that the two closest denials based upon income were over the limit by \$514.22 and \$910.00 for two single applicants and \$139.00 for a married applicant. Social security payments increased 5.9% in 2022 for cost of living adjustments. The increase was reported to be about a \$92.00 increase per month for single recipients and \$154.00 for married recipients. The closest asset overage for a denied applicant was \$241.88 above the current \$98,000 limit.

After discussion the committee recommends to increase the income and asset thresholds. The recommendation is to increase income levels from \$37,300 to \$39,000 for single applicants and from \$53,300 to \$55,300 for married applicants; and increase the asset limit from \$98,000 to \$100,000 for both single and married applicants. No other changes were recommended.
