



# 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 20, 2024

**SUBJECT:** Report of the Tax Exemption Policy Committee on revisions to the existing Elderly Exemption income and asset thresholds, the Blind Exemption, and various Veteran Credit amounts.

### Recommendation

Accept this report and set public hearings for adoption of the Tax Exemption Policy Committee's recommendations to increase the current elderly income and asset thresholds, increase the current blind exemption amount, and increase to the optional Veterans' and All-Veterans tax credit amounts. Accept their recommendation to not make changes to the totally and permanently disabled or widow of Veteran killed during active duty Veteran tax credits.

### Background

The Tax Exemption Policy Committee met on January 31, 2024 and reviewed information submitted to them by 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 \$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 \$26.86 tax rate = \$3,867.84

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**Elderly:** Presently, the asset level for both single and married applicants is \$100,000 (not including the value of the applicant's primary residence). The current income thresholds are single: \$39,000 and married: \$55,300. The exemption amounts are: Ages 65-74/\$80,000; Ages 75-79/\$131,000 and Ages 80 and older/\$223,000.

On January 31, 2024, a recommendation was submitted to the City Council to increase income levels from \$39,000 to \$42,000 for single applicants and from \$55,300 to \$60,000 for married applicants; and increase the asset limit from \$100,000 to \$150,000 for both single and married applicants. No other changes were recommended.

**Blind:** Presently, the exemption amount for Blind Exemption is \$120,234.

On January 31, 2024, a recommendation was submitted to the City Council to increase the exemption amount from \$120,234 to \$125,000.

**Solar Energy Systems:** Presently, the exemption is 100% assessed value. 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 \$200.00 the final tax bill would be:

\$3,867.84 Tax bill after elderly exemption  
-\$ 200.00 Veterans' tax credit deduction  
\$3,667.84 Final tax bill

***Veteran's Tax Credit and All Veterans' Tax Credit:*** The Tax Exemption Policy Committee recommend increasing the Optional Veterans' Tax Credit and All Veterans' Tax Credit from \$200 to \$300.

***Totally and Permanently Disabled Veterans' Tax Credit:*** Presently, the adopted tax credit is \$2,000. No change.

***Widow of Veteran Killed During Active Duty:*** Presently, the adopted tax credit is \$2,000. No change.