



# 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 22, 2023

**SUBJECT:** Report of the Tax Exemption Policy Committee on revisions to various Veteran Credit amounts, the Blind and the Solar Energy Systems Exemption

### **Recommendation**

Accept this report and set a public hearing for adoption of the Tax Exemption Policy Committee's recommendation to increase the current Optional Veterans' Credit and All Veterans' Credit amounts and accept their recommendations not to make any changes to the current blind exemption and Solar Energy Systems Exemption.

Note: The recommendation for Elderly Exemption income and asset threshold changes was submitted for public hearing during the February 13, 2023 City Council Meeting.

### **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 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
<u>-\$131,000 Elderly Exemption Amount</u>
\$144,000 /\$1,000 = 144.00 x \$25.89 tax rate = \$3,728.16

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**Elderly:** Presently, the asset level 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.

On February 3, 2023, a recommendation was submitted to the City Council 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.

**Blind:** The committee recommends no changes to the current adopted blind exemption.

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

**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 \$150.00 the final tax bill would be:

\$3,728.16 Tax bill after elderly exemption  
- \$ 150.00 Veterans' tax credit deduction  
\$3,578.16 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 \$150 to \$200.

The possible additional dollar impact based upon the current \$150 and projected \$200 credit are:

<u># of new Veterans</u>	<u>Additional at \$150</u>	<u>Additional at \$200</u>
0	0	\$41,917
25	\$3,750	\$46,917
50	\$7,500	\$51,917
75	\$11,250	\$56,917

**No other changes to Exemption or Credits were recommended by the Tax Exemption Policy Committee.**

***Totally and Permanently Disabled Veterans' Tax Credit:*** Presently, the adopted tax credit is \$2,000.

***Widow of Veteran Killed During Active Duty:*** Presently, the adopted tax credit is \$2,000.

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