

Veteran's Tax Credit: \$200.00

100% Disabled Veterans: \$1400.00

Elderly Exemption: See below- based on age

Age 65-74= \$25,600

Age 75-79= \$ 64,100

Age 80+= \$ 109,900

Blind Exemption: \$15,000

**TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO
MUNICIPALITY**

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**

2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or received by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court

(RSA 76:17), but not both. An appeal must be filed:

1) no earlier than: a) after receiving the municipality's decision on the abatement application; or
b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and

2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.

2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.

3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g., Tax Representative, Attorney, or other Advocate) completes Section I.

4. Make a copy of this document for your own records.

Categories of Exemptions and Credits

Tax exemptions and credits can be divided into three categories: (1) Personal—those based on the claimant's qualifications such as veterans, the elderly and the blind. (2) Tax exempt entities—those based on a classification of property belonging to entities such as religious and charitable properties. (3) Property qualification—those based on property attributes that have been legislatively determined to have a public benefit, such as exemptions for wood heating, solar power and wind power. This article is primarily focused on the first category because of the difficulty in ascertaining and judging individual qualifications.

Veterans' Credits and Exemptions

There are four separate tax exemptions and credits available to military veterans and spouses:

RSA 72:28 Standard and Optional Veterans' Tax Credit

The Veterans' Tax Credit under RSA 72:28 is a standard credit of \$50 with a local option to increase the credit to as much as \$500. To qualify, the claimant must have been a resident of the town for at least one year prior to April 1 of the year in which the credit is claimed; he or she must have served during a qualifying war for not less than 90 days or have been separated because of a service-connected disability; and he or she must have received an honorable discharge. Interestingly, the statute requires that the claimant must have served in a *war or an armed conflict*. But the statute only requires documentation of combat service for those who qualify under the catch-all provision of "any other war." RSA 72:28, V(g). Other than that provision, the veteran need only document the time frame in which he or she served, without requiring proof of actual combat service. The most common document for verification of military service is the DD-214; however, it is not the only document that may be relied on. The State Veterans Council has provided a list of documents deemed acceptable to verify military service. The list may be found on the DRA website.

If a qualified veteran owns a fractional interest in a property, the amount of the credit is prorated in the same proportion as the veteran's fractional interest. If multiple qualified veterans own the same property, the total of the credit on the single property may not exceed the amount provided under RSA 72:28. Notwithstanding the previous statement, if a property is owned by two qualified veterans who are married, then each is entitled to the full credit on the same property, essentially doubling the credit.

RSA 72:32 extends the Veterans' Tax Credit to citizens of the United States or residents of New Hampshire who served in foreign militaries that were allied with the United States. How one verifies a claimant's service in a foreign military is unclear. The DRA may be able to provide guidance.

RSA 72:29-a Surviving Spouse

The Surviving Spouse Tax Credit under RSA 72:29-a is a standard credit of \$700 with a local option of increasing the credit up to \$2,000. To qualify, the claimant's spouse must have died while on active duty with the United States military or in military service of a foreign ally of the United States in any of the conflicts listed under RSA 72:28.

RSA 72:35 Tax Credit for Service-Connected Total Disability

The Service-Connected Total Disability Tax Credit is a standard credit of \$700 with a local option of increasing the credit up to \$2,000. To qualify, the claimant must be honorably discharged from the United States military and be totally and permanently disabled, a double amputee or a paraplegic.

Total and permanent disability is determined only by the Veterans Administration, for which the veteran will receive written certification, so the certification should be obtained before granting an exemption or credit.

RSA 72:36-a Certain Disabled Veterans

The Certain Disabled Veterans Tax Exemption eliminates all tax liability on the qualified veteran's homestead. While the qualification may be similarly worded to the Service-Connected Total Disability Tax Credit above, there are key differences, so pay close attention to the significant use of "and" and "or."

To qualify, the veteran must have been discharged under "other than dishonorable" conditions. This is an expanded group of eligible discharges from the honorable discharge that is required under the previous credits. Additionally, the veteran must be permanently and totally disabled; **and** be a double amputee, or have blindness of both eyes, or be a paraplegic; **and** own a specially adapted home acquired with assistance from the Veterans Administration (or purchase a new home with proceeds received from the sale of a specially adapted home acquired with assistance from the Veterans Administration).

All of the veteran tax credits and exemptions share some common traits. The definition of Surviving Spouse is shared throughout RSA Chapter 72. Under the definition, a surviving spouse of a veteran who suffered a service connected death is entitled to all of the tax credits discussed above (except for the obvious redundancy with the Surviving Spouse Tax Credit). A surviving spouse loses his or her eligibility for the tax credit upon a subsequent marriage, but may regain eligibility upon divorce. However, if the subsequent marriage ends in death, then the surviving spouse is considered a widow or widower of the most recent marriage and may not regain the tax credit associated with his or her marriage to the veteran.

In cases where a veteran applies for and receives the credit, then subsequently dies, the surviving spouse is entitled to the credit in her or his own right and should reapply as a surviving spouse. Doing so provides adequate documentation in town records to support granting the exemption and makes Property Appraisal Monitors from the DRA very happy.

Additionally, a veteran or a veteran's spouse may claim and receive as many of the veterans exemptions and credits for which he or she qualifies.

RSA 72:39-a Elderly Exemptions

RSA 72:39-a and RSA 72:39-b is a pseudo-optional exemption enacted in 1996, as a consolidation and replacement of four separate elderly exemption statutes. RSA 72:39-b, I reads that a municipality "...may adopt or modify elderly exemptions by the procedure in RSA 72:27-a." RSA 72:27-a, I reads that "[a]ny town may adopt the provisions of ... RSA 72:39-a...." Then, paragraph III of RSA 72:27-b permits a municipality to rescind the exemptions in paragraph I. However, the session law that enacted the elderly exemption in 1996 has an applicability section that provides, "Any municipality which has not adopted elderly exemptions under RSA 72:39-b on January 1, 1998 shall be deemed to have adopted the minimum exemptions in RSA 72:39-b, I(c)." 1996 N.H. Laws, 140:11.

Beyond the adoption dilemma, the exemption statute itself has certain thresholds for

qualification. However, the statute permits modification of these thresholds for income and assets and for multiple age categories over the age of 64, all of which are determined by local adoption or subsequent modification under RSA 72:27-a.

A claimant's net income may not exceed 21,700 if single and 29,600 if married, unless the municipality opted to raise these thresholds to higher amounts under the provisions of RSA 72:27-a. Net income is determined by adding all money received from any source, and then deducting any life insurance benefit paid, expenses and costs of a business, and the proceeds from the sale of assets.

A claimant's net assets may not exceed \$74,300. Net assets are the value of all assets less "good faith encumbrances" such as mortgages, home equity loans, etc.

The non-varying qualifications for the elderly exemption are being resident in the state for at least three years prior to April 1 of the year the exemption is claimed and being at least 65 years of age. Note that under RSA 72:41-a, if a claimant who is properly qualified leaves the state to establish residency elsewhere because of health reasons, then returns to New Hampshire, that person need not re-establish residency upon his or her return.

Elderly exemption calculation for claimants with a fractional ownership interest in their property is accomplished in the same manner as is prescribed for the veterans credit, although the statutory reference is different. RSA 72:41. Also, when analyzing eligibility, pay attention to recent transfers of property to a claimant. In order to prevent sham tax exemptions, a property that has been transferred to the claimant within the previous five years by a relative who is under the age of 65 shall be disallowed. RSA 72:40-a.

RSA 72:38-a Tax Deferral for Elderly and Disabled

Tax deferral is available to claimants aged 65 and above and to disabled persons who are eligible for benefits under Title II or Title XVI of the Social Security Act. The claimant must reside in the homestead and have owned the homestead for at least five years. The deferral is granted annually for all or part of the taxes due, provided the assessing official believes that the tax liability creates an undue hardship on, or possible loss of the property by, the claimant. The deferred taxes accrue interest at five percent. The total amount of deferred taxes and accrued interest cannot exceed 85 percent of the equity remaining in the property after accounting for any encumbrances. After being submitted by the taxpayer, the original form PA-30 is filed with the registry of deeds and creates a tax lien. Tax deferral liens do not have priority over pre-existing liens.

Upon the death of the owner of the property, the heirs of the deceased have first priority to redeem the estate by paying the outstanding tax plus accrued interest within nine months of the date of death. Absent redemption, the tax collector may collect the outstanding debt in the usual manner under RSA Chapter 80.

HOW DO I QUALIFY?

How do I qualify for Low & Moderate Income Homeowners Property Tax Relief?

You must own a homestead subject to the State Education Property Tax; reside in such homestead on April 1 of the year for which the claim for relief is made; have a total household income of (1) \$20,000 or less if a single person or (2) \$40,000 or less if married or head of a NH household.

From Department of Revenues Site:

New Hampshire Timber Tax Law

The Notice of Intent to Cut: (RSA 79:10)

The State of New Hampshire has a real estate tax and by definition timber is considered to be real estate, therefore taxable. However, the method in which it is taxed is different from other real estate and is described in the State Constitution. Timber is only taxed at the time it is cut and at a rate, which encourages the growing of timber. In order for the municipal assessing officials to be aware of cutting operations they must be notified of the cutting by the owner filing a notice of intent to cut timber. The Notice of Intent, which is required by law, notifies the assessing officials, NH Department of Revenue (DRA) and the NH Div of Forest & Lands. Timber on all land ownerships is taxable at 10% of the stumpage value at the time of cutting. The only exemptions are as follows:

1. 10 MBF saw logs and 20 cords fuel wood for personal use by the owner. (RSA 79:1 II(b) 1&2)
2. 10 MBF saw logs and 20 cords of wood for land conversion purposes when all permits for the conversion have been received. (RSA 79:1 II (b) 5)
3. Shade and ornamental trees, usually considered to be trees within striking distance of a building. (RSA 79:2)
4. Christmas trees, fruit trees, and nursery stock and short rotation tree fiber. (RSA 79:2)
5. Any amount of firewood for maple syrup production. (RSA 79:1 II (b) 2)
6. Government and utilities not selling the wood. (RSA 79:1 II (b) 3 & 4)

(Items 1-6, No Intent required and Timber not taxable)

The Notice of Intent to Cut must be completed with a volume estimate, signed by the assessing officials and posted on the job site before any cutting requiring a notice can start. The original volume estimate cannot be exceeded without filing a supplemental Notice of Intent to cut for additional volumes. Notice of Intent to Cut forms are available from the DRA and the Town (RSA 79:10).

Town officials have 30 days to sign the Intent to cut form (RSA 79:10 I (b)). They may withhold signing **only** for the following reasons:

1. The form has been improperly filled out (RSA 79:10).
2. Land is enrolled in the unproductive current use category that does not allow timber harvesting. (RSA 79-A:2, XIII, Current Use Administrative Rule Cub 305.02 (b);
3. A timber tax bond is required but has not been posted (RSA 79:3-a).
4. All owners of record have not signed the intent to cut (RSA 79:1,II & 79:10 I (a)). All owners of record are listed on the property record card.

If town officials have not acted on the Intent to Cut within 30 days of receipt the landowner should contact DRA, which then inquires with the town as to the status of the paperwork. If municipal officials are withholding signing, the landowner should be notified in writing by the town as to the reasons within 30 days of receipt of the Notice of Intent to Cut by the town.

Tax Responsibility: (RSA 79:1 II(a))

The responsibility for the timber tax depends on the type of ownership and must be one of the following:

1. Landowners with timber rights on their own land.
2. Persons with deeded timber rights on land they previously owned
3. Persons purchasing timber on public lands Federal, state, county, town, etc.

Timber Tax Bond: (RSA 79:10-a)

Owners that own land within the town the cutting is to take place and are current on property taxes and timber taxes cannot be required to post a timber tax bond. All other owners must post a timber tax bond before the Notice of Intent to Cut is signed. Timber tax bonds are usually equal to the expected timber tax.

Extensions: (RSA 79:10 II) (RSA 79:11 II)

Extensions are allowed upon written request by the owner to the assessing officials prior to April 1. Extensions allow cutting to continue through June 30 and reports are due August 15.

Report of Wood Cut: (RSA 79:11)

Report of Wood Cut forms are sent to the owners filing a notice along with a certificate, which should be posted at the job site. Reports of wood cut must be filed with the town within 60 days of completion or by May 15, whichever comes first. The report form serves as the basis for determining the timber yield tax.

Appeal Process: (RSA 79:8)

If a taxpayer believes they have been overtaxed they must appeal to the Town within 90 days of the tax bill. If the Town denies the appeal then the taxpayer may appeal to the Board of Tax and Land Appeals (BTLA) within 6 months of the tax bill for an appeal board hearing. The Guideline to Assessing Timber is available from DRA to assist owners and towns in proper assessment of timber per NH timber tax law.

Penalties, Doomsage and Enforcement: (RSA 79:12) (RSA 21:J 39) (RSA 79:28 & 28-a)

Fines for non-compliance range up to \$2000. A Doomsage penalty may be assessed for improper reporting (Doomsage is two times what the tax would have been if the Report had been seasonably filed and truly reported.) The DRA and Division of Forest & Lands have authority to issue a cease and desist for any cutting operation not in compliance with RSA 79.

This is only a synopsis of the law, for further clarification refer to the New Hampshire statutes or call the Department of Revenue Administration, Property Appraisal Division at 271-2687.

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