

Chapter 10

Exemptions and Tax Credits

Section 10.1 – General Requirements for Tax Credits and Exemptions

The laws regarding property tax exemptions and tax credits are generally found in RSA 72. All New Hampshire statutes may be found on-line at www.gencourt.state.nh.us/rsa/html/indexes. Simply use this link to access a complete list of New Hampshire laws.

The purpose of this discussion is to attempt to simplify the maze of technical language that permeates the laws on property exemptions and tax credits. All applications made under this section shall be subject to the provisions of RSA 72:33 and RSA 72:34. It is these two statutes that answer the following questions.

RSA 72:33 Application for Exemptions or Tax Credit

Q. What new exemptions have been implemented in the past 5 years?

A. The exemption treatment for recreational vehicles (RVs) and manufactured housing has been changed in RSA 72:7-d and a. This new law now exempts RVs from taxation as real estate and clarifies that campground owners are not responsible for taxes on vehicles located on their grounds. It also clarifies the definition of “manufactured housing” under RSA 205-a:1, I.

Q. Which exemptions and tax credits are covered?

A. RSA 72:28, 72:29-a, 72:30, 72:31, 72:32, 72:35, 72:36-a, 72:37, 72:37-a, 72:37-b, 72:38-b, 72:39-b, 72:62, 72:66, and 72:70.

Q. What is the filing deadline?

A. April 15, prior to the date of setting the [tax rate](#).

Q. What is the manner in which an application shall be made?

A. Permanent application must be signed under penalty of perjury on a form prescribed by the Commissioner of Revenue, Form PA-29, Permanent Application for Tax Credit/Exemptions, declaring the fact that the applicant was an owner of the [property](#) as generally defined in RSA 72 on April 1 of the year in which the exemption or tax credit was sought. Form PA-29 is available by contacting the Department of Revenue Administration (DRA) at (603) 230-5950 or by downloading it from the DRA website at <https://www.revenue.nh.gov/forms/all-forms.htm>

In the case of financial qualifications, that the applicant was duly qualified at the time of application.

The PA-29 application form shall also include:

- Instructions for completing and filing the form with explanation of the grounds for requesting exemptions and tax credits pursuant to RSA 72;
- Sections for information concerning the applicant, the property for which relief is sought, and other properties owned by the applicant;

- A section explaining the [appeal](#) procedure and deadlines if the application is denied;
- A place for the applicant's signature with certification by the applicant that the application is in good faith and the facts in the application are true.

Q. Does accident, mistake, or misfortune apply to filing these applications late?

A. If an applicant shall satisfy the selectmen or [assessor](#) they were prevented by accident, mistake, or misfortune from filing on or before April 15, said officials may accept an application at a later date. No exemption or tax credit shall be granted after the local [tax rate](#) has been set for that year.

Q. What must a person that changes residence do after filing such an application?

A. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive these exemptions or tax credits on an annual basis so long as the applicant does not change residence.

Q. What if the selectmen or assessors believe the applicant willfully made false statements on the application?

A. In such a case, the assessing official may refuse to grant the exemption or tax credit (RSA 72:34).

Q. Are those applicants who have a life estate or who have equitable or beneficial interest for life in the property or have placed their property in a grantor/revocable trust, eligible to apply for and receive a tax exemption or credit?

A. Those applicants who claim [ownership](#) in the [property](#) due to a [life estate](#), or grantor/[revocable trust](#), or have equitable or beneficial interest for life as defined by RSA 72:29, VI and who are otherwise qualified to receive the exemption or credit may receive the exemption or credit.

Q. Must such an applicant do anything else before receiving the exemption or tax credit?

A. An applicant filing as an owner by life estate or beneficial interest for life must also file with their application an additional statement under penalty of perjury, a Form PA-33, [Statement of Qualification for Property Tax Credit or Exemption](#), attesting the fact they meet the requirements of RSA 72:29 VI. Form PA-33 is available for download at the DRA website at <https://www.revenue.nh.gov/forms/all-forms.htm>

Q. Once an exemption or tax credit is granted has the selectmen's or assessor's responsibility ended for future years?

A. Assessing officials may require applicants for any exemption or tax credit to file periodically but no more frequently than annually, any information listed in RSA 72:34 or the statement required by RSA 72:33.

Q. What can Assessing Officials do if there is a failure to file such periodic statements?

A. Failure to file such information periodically may, at the discretion of the assessing officials, result in the loss of the exemption or tax credit for that year.

RSA 72:34 Investigation of Application and Decision by Town Officials

Q. What must Assessing Officials do upon receipt of an application as provided for in RSA 72:33 above?

A. Assessing Officials shall examine the application for the right to the exemption, tax credit, or tax deferrals, the ownership of the property listed and, if necessary, the encumbrances reported.

Q. What should Assessing Officials do for those exemptions having income or asset limitations?

A. Assessing officials may request true copies of any documents as needed to verify eligibility.

Q. How must these documents be treated by the Assessing Officials?

A. Documents submitted in support of an application for an exemption or tax credit must be considered confidential and handled in such a manner as to protect the privacy of an applicant. After a decision has been reached on the application, all documents, and copies of documents submitted by the applicant must be returned to the applicant, shredded, or destroyed.

Q. What may the Assessing Officials do if they believe the applicant has willfully made any false statement in the application or the applicant did not cooperate with their request?

A. The Assessing Officials may refuse to grant the exemption or tax credit.

Q. What is the deadline for Assessing Officials to respond to applicants for tax exemptions or tax credits?

A. Assessing officials have until July 1, prior to notice of tax as defined in RSA 72:1-d, to reply by first class mail in writing to any taxpayer who timely requests an exemption or tax credit. This also applies to an applicant for a tax deferral. Tax deferrals will be covered later in this chapter.

Q. How does RSA 72:1-d define “Date of Notice of Tax”?

A. RSA 72:1-d Definitions. – In this chapter:

I. “*Date of the final tax bill*” means:

- a) In towns that bill annually, the date the town mails the tax bills to the taxpayers;
- b) In towns that bill semiannually, pursuant to RSA 76:15-a, the date the town mails the second tax bill to the taxpayers;

c) In towns operating with an optional fiscal year, pursuant to RSA 31:94-a or a special legislative act, the date the town mails the first tax bill to the taxpayers, provided that first tax bill establishes the total tax [liability](#) for the tax year and the bill includes notice that [abatements](#) must be sought from the first tax bill; and

II. Notwithstanding subparagraph c), in municipalities that bill quarterly, pursuant to RSA 76:15-aa, the date the municipality mails the final tax bill to the taxpayers.

III. “*Date of notice of tax*” means the date the Board of Tax and Land Appeals (BTLA) determines to be the last mailing date of the final tax bill for which relief is sought.

Date of Notice of Tax:
The last mailing date of the final annual tax bill.

Q. Is there a particular form that Assessing Officials should use to notify applicants of the decision for an exemptions or tax credit request?

A. The decision shall be sent on Form PA-35, Assessing Officials Response to Exemption/Tax Credit. The form is available for download at the DRA website. The municipality shall advise the taxpayer of its decision to grant or deny the application. It shall also advise the applicant of the appeal procedure set forth in RSA 72:34-a. A municipality may require an applicant to provide a self-addressed stamped envelope with sufficient postage to mail this decision.

Q. What happens if the municipality fails to notify the applicant of its decision by July 1, prior to the date of notice of tax?

A. If the municipality fails to notify the applicant, it shall constitute a denial.

Q. What is the appeal procedure as defined in RSA 72:34-a?

A. Whenever the selectmen or [assessors](#) refuse to grant an applicant an exemption, deferral, or tax credit to which the applicant may be entitled under the provisions of RSA 72:23, 72:23-d, 72:23-e, 72:23-f, 72:23-g, 72:23-h, 72:23-I, 72:23-j, 72:23-k, 72:28, 72:29-a, 72:30, 72:31, 72:32, 72:35, 72:36-a, 72:37, 72:37-a, 72:37-b, 72:38-a, 72:38-b, 72:39-a, 72:39-b, 72:41, 72:42, 72:62, 72:66, or 72:70, the applicant may [appeal](#) in writing, on or before September 1 following the date of notice of tax under RSA 72:1-d, to the BTLA or the Superior Court, which may order an exemption, deferral, or tax credit, or an abatement if tax has been assessed.

Section 10.2 – Veterans’ Tax Credits and Property Tax Exemption

Now that we’ve talked about what selectmen or [assessors](#) must do when qualifying applicants for exemptions, let’s discuss the statutes themselves by first looking at the Veterans’ Tax Credits. A tax credit is defined as an amount of money that shall be deducted from the person’s tax bill. That is to say it is a dollar amount deducted directly from the taxes owed by the individual who is receiving the benefit of the tax credit. *(See lists provided by the NH Office of Veterans Services of qualifying medals for wars and conflicts and required forms and documents for verification of service).*

There are seven (7) statutes that pertain to tax credits for certain qualifying individuals and/or their surviving spouses and one (1) tax exemption.

RSA 72:28 Standard and Optional Veterans' Tax Credit

Q. What is the standard veterans' tax credit?

A. The standard veterans' tax credit is \$50 off the taxes on the Veteran's primary residence.

Tax Credit:
Money deducted from
the total tax bill.

Q. Is there an optional veterans' tax credit?

A. A municipality may formally adopt a larger amount by vote at any town meeting or by vote of the governing body, if the municipality has the town council or city form of government. This credit amount may be greater than \$50 and not more than \$500. The provisions for adopting an amount greater than \$50 may be found in RSA 72-27-a. (See Section 10.5)

Q. Can a spouse of a deceased veteran receive the veterans' tax credit?

A. Yes. A spouse of a resident (veteran), who suffered a service-connected death, unless remarried, may have the credit amount subtracted from the property tax on any [real property](#) in the same municipality where the surviving spouse is a resident. (72:28 III)

Q. How does a person qualify for this tax credit?

A. In order to qualify for the veterans' tax credit applicants must satisfy the selectmen or assessors that:

- The applicant has been a resident of New Hampshire for at least one year prior to April 1 for which they are applying and has served not less than 90-days active duty during any qualifying war or armed conflict listed below.
- The applicant has been honorably discharged from active duty service. A discharge of "Under Honorable Conditions" is not considered the same as Honorable. [The most commonly found discharge paper is the DD 214. This form is normally issued upon discharge from active duty and will list all the information needed to qualify or disqualify an applicant. However, some older veterans may not have a DD 214. Please refer to a more complete list of qualifying discharge papers at the end of Chapter 10.]

Q. Can other individuals qualify for the veterans' tax credit?

A. Yes. The veteran or the veteran's spouse.

Q. What are the qualifying wars and armed conflicts applicable to the veterans' tax credit?

A. The following is the list of qualifying wars and armed conflicts:

- "World War I" between April 6, 1917 and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was

- prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;
- “World War II” between December 7, 1941 and December 31, 1946;
 - “Korean Conflict” between June 25, 1950 and January 31, 1955;
 - “Vietnam Conflict” between December 22, 1961 and May 7, 1975;
 - “Vietnam Conflict” between July 1, 1958 and December 22, 1961, **if the resident earned the Vietnam service medal or the armed forces expeditionary medal;**
 - “Persian Gulf War” between August 2, 1990 and the date thereafter prescribed by Presidential proclamation or by law; and
 - Any other war or armed conflict that has occurred since May 8, 1975, **and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.**

Q. Can an applicant qualify if their dates of service are not within the specified dates?

A. In order to qualify for this tax credit if dates of active duty service fall outside the specific dates listed above, an applicant would have to show that an armed forces expeditionary medal or a theater of operations medal was earned in addition to the other qualifying factors listed above.

Q. Who selected the dates of active duty service?

A. Dates of service listed in the statute are not arbitrarily selected by the New Hampshire State Legislature but are the official dates of the duration of the war or armed conflict as determined by Presidential Proclamation or Act of Congress through the United States Department of Defense.

RSA 72:28-b All Veterans' Tax Credit

Q. Is the all veterans' tax credit available to anyone who is qualified?

A. No. It must be formally adopted by the municipality before it may be granted, regardless of whether the applicant is qualified. The procedure used to adopt it is outlined in RSA 72:27-a. (See Section 10.5 for further details on adoption procedure).

Q. What is the amount of the all veterans' tax credit?

A. The all veterans' tax credit shall be the same amount as the standard or optional veterans' tax credit in effect in the town or city under RSA 72:28.

NOTE: A town or city with an existing standard or optional veterans' tax credit under RSA 72:28 prior to August 18, 2016, adopting the credit under this section, may phase in the amount of the all veterans' tax credit over a 3-year period to match the standard or optional veterans' tax credit.

Q. How does a person qualify for this tax credit?

A. A person shall qualify for the all veterans' tax credit if the person:

- is a resident of New Hampshire; and
- has served not less than 90 days on active service in the armed forces of the United States; and
- was honorably discharged or an officer honorably separated from service A discharge of “Under Honorable Conditions” is not considered the same as Honorable [*The most commonly found discharge paper is the DD 214. This form is normally issued upon discharge from active duty and will list all the information needed to qualify or disqualify an applicant. However, some older veterans may not have a DD 214.*]; and
- provided that Title 10 training for active duty by a member of a national guard or reserve shall be included as service under this paragraph; and
- provided however that the person is not eligible for and is not receiving a credit under RSA 72:28 or RSA 72:35.

Q. Can other individuals qualify for the all veterans’ tax credit?

A. Yes. The spouse of the qualifying veteran.

RSA 72:29-a Surviving Spouse

Q. What is the standard surviving spouse credit?

- A. The standard credit for the surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States shall be \$700.
- This credit may also be applied to the spouse of anyone who served in any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28.

Q. What property can the credit be applied to?

A. The credit amount may be applied to any [property](#) owned by the spouse, residential or not, located in the same municipality where the surviving spouse is a resident.

Q. Is there an optional surviving spouse credit amount?

A. A municipality may formally adopt a larger amount by vote at any town meeting or by vote of the governing body, if the municipality has the town council or city form of government. This credit amount may be between \$701 and \$2,000. The provisions for adopting a higher amount may be found in RSA 72:27-a. (See Section 10.5)

RSA 72:30 Proration of Tax Credit

Q. Can an applicant receive only a portion of a tax credit?

- A. Any qualified individuals who own property together and are not husband and wife may receive a tax credit in proportion to the interest owned not to exceed the amount of the credit specified in RSA 72:28.

Example: If a municipality has a \$250 credit limit and the property is owned by a father and a son, both of whom qualify, they may split the \$250 each getting ½ of the allowable credit in that municipality, or \$125 each.

RSA 72:31 Husband and Wife.

Q. Can more than one tax credit be applied for the same property?

- A. Yes, a husband and wife, each qualifying for a tax credit, shall each be granted a tax credit upon their residential [real estate](#) as provided under RSA 72:28,I or II. This means that a husband and wife who own residential property together may each receive a full credit amount.

Example: If a municipality has a \$500 credit allowance, the husband and the wife each may receive the full \$500 credit for a total of \$1,000 provided the total bill is at least \$1,000.

RSA 72:32 Veterans of Allied Forces

Q. What if an applicant has active duty with an ally of the United States?

- A. If a citizen of the United States or a resident of New Hampshire served on active duty with an ally of the United States in any of the wars listed in RSA 72:28, that person may receive the credit as long as they qualify otherwise under the statute. This is a relatively rare occurrence.

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

Q. Who can receive the tax credit for service-connected total disability?

- A. Any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent (100%) service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a standard yearly tax credit in the amount of \$700 of property taxes on the person's residential property. The 90-day service requirement does not apply to this tax credit.

Q. Is there an optional tax credit?

- A. Yes. A municipality may formally adopt a larger amount by vote at any town meeting or by vote of the governing body, if the municipality has the town council or city form of government. This amount may be between \$701 and \$4,000. The provisions for adopting a higher amount may be found in RSA 72:27-a. (See Section 10.5)

Q. What is the prime proof of qualification for this tax credit?

A. A letter from the United States Department of Veterans Affairs attesting to the fact the applicant is rated totally and permanently disabled from service connection. The applicant must be 100% permanently disabled. An applicant shall be afforded the opportunity to present additional evidence, if needed.

Q. How is the tax credit applied to the tax bill?

A. This tax credit shall be divided evenly among the number of tax bills issued by the municipality.

Q. Can a veteran qualify for both a tax credit under RSA 72:28 and RSA 72:35?

A. Yes, so long as the requirements for each are met.

Q. Can a veteran qualify for both a tax credit under RSA 72:28-b and RSA 72:35?

A. No, a veteran qualifying under RSA 72:28-b cannot also receive the tax credit under RSA 72:35.

Q. What happens if the tax credit is denied?

A. Any decision to deny an application shall identify the evidence used in the denial. A person denied has the right of [appeal](#) outlined in RSA 72:34-a.

RSA 72:36-a Certain Disabled Veterans. (Exemption)

Q. Who qualifies under this statute?

A. Any person, who is discharged from military service of the United States under conditions other than dishonorable, or an officer who is honorably separated from military service, who is totally and permanently disabled from service connection and satisfactory proof of such service connection is furnished to the [assessors](#) and who is a double amputee of the upper or lower extremities or any combination thereof, paraplegic, or has blindness of both eyes with visual acuity of 5/200 or less as the result of service connection and who owns a specially adapted homestead which has been acquired with the assistance of the Veterans Administration or which has been acquired using proceeds from the sale of any previous homestead which was acquired with the assistance of the Veterans Administration, the person or person's surviving spouse, shall be exempt from all taxation on said homestead.

**Qualifying Awards for the Veterans' Tax Credit
For Wars or Conflicts after May 8, 1975**

List provided by NH Office of Veterans Services

Any of the following medals shall be considered a "theater of operations service medal" for the purposes of qualifying a veteran for the Veterans' Tax Credit in RSA 72:28. Typically, the medal will appear on the discharge papers (such as the DD214), except for those who earned the medal, but were discharged prior to the award. There must be documentation to qualify.

- Afghanistan Campaign Medal

- Armed Forces Expeditionary Medal
- Global War on Terrorism Expeditionary Medal
- Iraq Campaign Medal
- Kosovo Campaign Medal
- Kuwait Liberation Medal
- Marine Corps Expeditionary Medal
- Navy Expeditionary Medal
- Southwest Asia Service Medal

In addition, in the absence of evidence to the contrary, the award of the following decorations shall also be considered evidence of a veteran's combat service and qualification for the Veterans' Tax Credit: **Reference:** "V" **Device:** "V" stands for Valor, and it is awarded to denote combat service. If so specified, the medal must have the "V" Device to be valid.

- Air Force Outstanding Unit Award **with "V" Device**
- Air Medal **with "V" Device**
- Army Commendation Medal **with "V" Device**
- Bronze Star Medal **with "V" Device**
- Combat Action Ribbon
- Combat Infantryman Badge
- Combat Medical Badge
- Combat Aircrew Insignia
- Distinguished Flying Cross
- Distinguished Service Cross
- Joint Service Commendation Medal **with "V" Device**
- Medal of Honor
- Navy Commendation Medal **with "V" Device**
- Navy Cross
- Purple Heart
- Silver Star

Current as of: June 25, 2010

Website <https://www.nh.gov/nhveterans/forms/index.htm>

The state legislature passed (and Governor Benson signed into law) SB 531 with an effective date of July 23, 2004. This new law clarifies the Veterans Property Tax Credit in RSA 72:28 by defining the term "theater of operations service medal" for any war or armed conflict that has occurred since May 1975, as any medal, ribbon or badge awarded to a member of the armed forces which establishes that the member served in a theater of war or armed conflict, as determined by the Director of NH State Veterans Council, with written notification to the Department of Revenue Administration. The NH State Veterans Council provided the list of medals, ribbons or badges that qualify a veteran for the property tax credit.

Military members who served (or are currently serving) in Afghanistan or Iraq will eventually be awarded the Global War on Terrorism Expeditionary Medal, the Afghanistan Campaign Medal, or Iraq Campaign Medal, which are on the list of qualifying awards. We plan to update the list as often as necessary to keep it current and accurate. If anyone has any questions or comments

regarding the specific medals, please refer them to the Director of the NH State Veterans Council at (603) 624-9230.

Documents Used to Establish a Veteran's Active Military Service

List provided by NH State Office of Veterans Services – RSA 21:50, I(b)

- 1) DD 214 from any branch of the armed forces;
- 2) DD 215 from any branch of the armed forces;
- 3) DD 217 from any branch of the armed forces;
- 4) DD Form 2 (Retired)
- 5) WD AGO 53-55 from the United States Army;
- 6) WD AGO 53-98 from the United States Army;
- 7) WD AGO 755 from the United States Army;
- 8) NAVPERS 553 from the United States Navy
- 9) NAVPERS 554 from the United States Navy;
- 10) NAVPERS 660 from the United States Navy;
- 11) NAVPERS 661 from the United States Navy;
- 12) NAVMC 70-PD from the United States Marine Corps;
- 13) NAVMC 78-PD from the United States Marine Corps;
- 14) NAVCG 2510 from the United States Coast Guard;
- 15) NGB Form 22 from the National Guard
- 16) GSA Form 6954 from the National Archives;
- 17) NA Form 13038 from the National Archives;
- 18) NA Form 13041 from the National Archives;
- 19) Verification of Service letter from the United States Department of Veterans Affairs;
- 20) Summary of Military Service Record from the New Hampshire Korean War Bonus application;
- 21) Notarized statement of service letter signed by the individual's commanding officer or administrative officer.
- 22) Completed DD Form 4/2 from the National Guard (*See note below*)
- 23) Completed DD Form 1300
- 24) Other documents approved by the Director of the NH State Veterans Council.

The above (excerpted from HB 1372) is a list of forms and documents that are usually sufficient for verifying a veteran's active military service.

For a document to be acceptable in verifying a veteran's active military service, it must show (in addition to sufficient identification data) at least three key pieces of information:

- a date of entry into active duty,
- a date of separation or release from active duty, and
- the character of the discharge (proof of honorable discharge or separation).

Note: Form DD Form 4/2 is a reenlistment form used by all branches of service. It is actually a three part form – 4/1, 4/2 and 4/3. It may or may not show character of discharge.

Search for this list and the qualifying medals list at:
<https://www.nh.gov/nhveterans/forms/index.htm>

Section 10.3 – Property Tax Exemptions

Property exemptions can be a little more complex than Veterans' Tax Credits. The goal here is to explain the basic exemptions, who qualifies to receive them, which exemptions do not require formal adoption and which exemptions have to be formally adopted by a municipality before they can be granted by a municipality.

Exemption:
An amount deducted from the property's total assessed value.

An exemption can be defined as an amount of money deducted from the [assessed value](#) of a [property](#) before the application of the [tax rate](#) to determine the tax due.

Example: If the total assessed value of a property is \$200,000 and the municipality allows an exemption amount of \$50,000 for a particular exemption, then the qualifying applicant would receive a tax bill figured on the difference of \$200,000 less \$50,000 – or \$150,000.

To Adopt or Not to Adopt

There are two (2) basic classes of property exemptions in New Hampshire.

- The first class includes those exemptions that do not have to be formally adopted by the municipality before they may be granted to qualified individuals.
- The second class includes those exemptions that do need to be formally adopted by the municipality before they may be granted regardless of whether the applicant is qualified.
- All exemptions, whether requiring formal adoption, or not, also have optional provisions within them allowing municipalities to increase the exemption amount itself and also any income or asset requirements associated with the exemption. These are provided for under RSA 72:27-a (see section 10.5), and should not be confused with the two basic classes of exemptions described above.
- Clarification will be given in the specific discussion of each exemption below. All applications made under this section shall be subject to the provisions of RSA 72:33 and RSA 72:34 discussed at the beginning of this chapter.

RSA 72:23-m Applicability of Exemptions

Q. When are exemptions applicable?

- A. The exemptions afforded by RSA 72:23 or 72:23-a through 72:23-k (see Section 10.6), as well as exemptions granted by other provisions of law (see Section 10.4), shall be construed to confer exemption only upon [property](#) which meets requirements of the statute under which the exemption is claimed. The burden of demonstrating the applicability of any exemption shall be upon the claimant.

Section 10.4 – Exemptions Not Requiring Formal Adoption

Exemptions pertaining to certain elderly people and certain blind people do not require formal adoption by municipalities. Also included in exemptions not requiring formal adoption are those to assist disabled persons or to assist deaf persons. Each is discussed in detail as follows:

RSA 72:39-a Conditions for Elderly Exemption

Q. Who qualifies for an elderly tax exemption?

A. Property owners who meet the following qualification:

1. The applicant must have been a New Hampshire resident for at least 3 years prior to the April 1 for which application is being made. Three (3) year residency applies statewide and is not limited to the municipality where the applicant now resides and where application is being made as long as the applicant owned property as of April 1 and has been a New Hampshire resident for 3 consecutive years.
2. Net income from all sources in the calendar year preceding the April 1 application shall be \$13,400 if single and \$20,400 if married. Per this statute, the following is the method to use when figuring net income: net income shall be determined by deducting, within one calendar year and from all money received from all sources including social security and pension payments, the amount of any of the following or the sum thereof:
 - a. Life insurance paid on the death of an insured.
 - b. Expenses and costs from expenses incurred in the operation of a business enterprise.
 - c. Proceeds from the sale of assets.
3. Owns net assets not in excess of \$35,000. This amount does not include the value of the applicant's personal residence and up to 2 acres of land or the minimum single-family residential lot size specified in local zoning ordinance whichever is greater.

Q. What is the statutory elderly exemption?

A. The minimum amount that can be offered is \$5,000.

Q. Can municipalities increase the statutory minimum requirements?

A. Yes. A municipality may formally adopt a higher amount by vote at any town meeting or by vote of the governing body, if the municipality has the town council or city form of government, following the provisions of RSA 72:39-b (see below).

Q. How are assets defined under this statute?

A. “Net assets” means the value of all assets, tangible and intangible, minus the value of any good faith [encumbrances](#). Good faith encumbrances include [mortgages](#), personal loans, [liens](#) and other claims against the value of an asset.

Q. How is “Residence” defined under this statute?

A. “Residence” means the housing [unit](#) and related [structures](#) such as an unattached garage or woodshed, which is the person’s principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. “Residence” shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

Q. Are there any other requirements that an applicant must meet to qualify for the elderly exemption?

A. Yes.

1. The [property](#) must be owned by the applicant; or
2. Owned by the applicant jointly or in common with the applicant’s spouse, either of whom meets the age requirement for the exemption claimed; or
3. Owned by the applicant jointly or in common with a person not the applicant’s spouse, if the applicant meets the applicable age requirement for the exemption claimed; or
4. Owned by the applicant, or the applicant’s spouse, either of who meets the age requirement for the exemption claimed, and as long as they have been married to each other for at least 5 consecutive years.

Q. What happens when a spouse dies?

A. On the death of a spouse, the combined net asset amount for married persons shall continue to be used for determining eligibility for the surviving spouse unless the [property](#) sells, transfers, or the surviving spouse remarries. The income level to be used, however, will be that of a single person.

RSA 72:39-b Procedure for Adoption and Modification of Elderly Exemption

This procedure allows a municipality to adopt amounts higher than the statutory minimum limits in the following manner and in accordance with RSA 72:27-a, see section 10.5.

It allows municipalities to adopt income limits, asset limits and exemption amounts of its own choosing for the following age groups:

- 65 years of age up to age 75,
- 75 years of age up to age 80, and
- 80 years of age and over.

All other criteria listed in RSA 72:39-a must also be met.

NOTE: The following limitation under RSA 72:40-a also applies to the Elderly Exemption and states that “no exemption shall be allowed under RSA 72:39-b if the resident applying therefore has, within the preceding 5 years, received transfer of the real estate from a person under the age of 65 related to him by blood or marriage.” This provision deters people under the age of 65 from benefiting from the exemption who otherwise would not qualify to receive it.

RSA 72:37 Exemption for the Blind

Q. Who qualifies to receive the blind exemption?

A. Every inhabitant who is legally blind as determined by the Blind Services Program, Bureau of Vocational Rehabilitation, Department of Education.

Q. What is the amount of the exemption?

A. For property tax purposes, the statutory minimum exemption amount of \$15,000 shall be exempt each year on the [assessed value](#) of his or her residential [real estate](#).

Q. Can municipalities increase the statutory minimum requirement?

A. Yes. A municipality may formally adopt a higher amount by vote at any town meeting or by vote of the governing body, if the municipality has the town council or city form of government, following the provisions of RSA 72:27-a.

Q. What is the definition of “residential real estate” for RSA 72:37?

A. The term “residential real estate” for RSA 72:37 shall mean the [real estate](#) that the person qualified for an exemption or a tax credit there under occupies as his principal place of abode together with any [land](#) or buildings appurtenant thereto and shall include manufactured housing if used for said purpose.

RSA 72:37-a Exemption for Improvements to Assist Persons With Disabilities

Q. What does “person with disabilities” mean?

A. Person with a “disability” means a person who by reason of a physical defect or infirmity permanently requires the use of special aids to enable him to propel himself.

NOTE: The key word here is “[propel](#).” The special improvements must have been made in order to make it easier for the disabled person to get into and around the house once inside. This includes improvements such as wheel chair ramps, extra wide doorways, elevators, etc.

Q. Who qualifies for this exemption?

A. Every owner of residential real estate upon which he resides, and to which he has made [improvements](#) for the purpose of assisting a person with a disability who also resides on such real estate, is each year entitled to an exemption from the [assessed value](#), for property tax purposes, upon such residential real estate determined by deducting the value of such improvements from the assessed value of the residential real estate before determining the taxes upon such real estate.

If the value of the improvement is not added to the assessment, there is nothing to subtract out.

Q. Can other individuals qualify for the exemption for improvements to assist person with disabilities?

A. Yes. The person with the disability can be the owner of the [property](#) or anyone else who may reside there.

Q. When does the exemption apply?

A. It only applies to the taxable years in which the disabled person actually resides in the house and the April 1 rule applies.

Ex: If the disabled person moves out on April 2, the exemption stays until the following March 31 and then ceases the next April 1.

Section 10.5 – Exemptions Needing Formal Adoption

RSA 72:27-a Procedure for Adoption, Modification, or Rescission

The following exemptions must be formally adopted through the procedure outlined in RSA 72:27-a. This statute was enacted in 2003 after the repeal of RSA's 72:28-a, 72:29-b, 72:35-a, 72:36-b, 72:37-c, 72:63, 72:67 and 72:71. These repealed statutes included specific language to be used in the warrant article for the adoption of each exemption. RSA 72:27-a replaced all these with more general guidance for municipalities to use in crafting their warrant articles.

- It starts out by listing the specific statutes it refers to, namely RSA 72:28, 72:29-a, 72:35, 72:37, 72:37-b, 72:38-b, 72:39-a, 72:62, 72:66, or 72:70.
- Towns that have not adopted the Town Council form of government, RSA 49-D, must address the adoption of exemptions and credits through a warrant article at any regular or special town meeting.
- Cities or towns who have adopted a charter pursuant to RSA 49-C or 49-D may adopt any exemption or credit through the normal course of operation of its governing body or as a ballot question for any regular municipal election.

Q. How shall the warrant or the vote be worded?

A. The warrant shall contain the information below:

- The vote shall specify the provisions of the property tax exemption or credit, the amount of such exemption or tax credit, and the manner of its determination as listed in paragraph I of RSA 72:27-a.

If a majority of those voting on the questions vote “yes,” the exemption or credit shall take effect within the municipalities on the date set by the governing body, or in the tax year beginning April 1 following its adoption, whichever shall occur first. This means the warrant should reference:

- The exemption or credit being adopted.
- The amount of the exemption or credit.
- The amount of income and asset limits being proposed, if required.
- The date the exemption or credit shall be applied.
- Any additional requirements necessary under the statutes.
- A municipality may amend or rescind an exemption or credit it had previously adopted in the same manner as outlined above.

NOTE: It may be of particular importance to a municipality to consider amending or adjusting certain exemption amounts to keep pace with increases or decreases in assessed values as revaluations occur.

RSA 72:37-b Exemption for the Disabled

Q. Who qualifies for the exemption for the disabled?

- A. Any person who is eligible to receive benefits under Title II (Federal Old-Age, Survivors, and Disability Insurance Benefits) or Title XVI (Supplemental Income for the Aged, Blind, and Disabled) of the Federal Social Security Act for benefits to the disabled.

Q. What is the amount of the exemption for the disabled?

- A. The exemption amount shall be an amount chosen by the municipality as described in RSA 72:27-a.

NOTE: This statute also provides the option for those who had been receiving the exemption for the disabled to keep the exemption for the disabled or to opt for the elderly exemption at age 65 whichever is greater. Municipalities might want to consider keeping their exemption for the disabled amount equal to their entry level (age 65-74) elderly exemption amount.

Q. What are the requirements to receive the exemption for the disabled?

- A. In addition to the Title II or Title XVI requirement the applicant must meet the following:
 1. The applicant must own the [property](#).

- a. Owned by the applicant jointly or in common with the applicant's spouse, either of whom meets the requirements for the exemption claimed; or
 - b. Owned by the applicant jointly or in common with a person not the applicant's spouse, if the applicant meets the applicable requirements for the exemption claimed; or
 - c. Owned by the applicant, or the applicant's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.
2. The applicant must have been a New Hampshire resident for at least 5 years prior to the April 1 for which the application is being made.
 3. The applicant must have a [net income](#) from all sources in the calendar year preceding April 1 in the year of application not exceeding \$13,400 if single or \$20,400 if married. Per this statute, the following is the method to use when figuring net income: Net income shall be determined by deducting from all money received from all sources including social security and pension payments, the amount of any of the following or the sum thereof:
 - a. Life insurance paid on the death of an insured.
 - b. [Expenses](#) and costs from expenses incurred in the operation of a business enterprise.
 - c. Proceeds from the sale of assets.
 4. Owns net assets not in excess of \$35,000. This amount does not include the value of the applicant's personal residence and up to 2 acres of [land](#) or the minimum single-family residential [lot](#) size specified in local [zoning](#) ordinance whichever is greater.

In no case shall municipalities lower the **Income Level** to less than \$13,400 for a single person and \$20,400 for married persons and **Assets** to less than \$35,000.

RSA 72:38-b Exemption for Deaf or Severely Hearing Impaired Persons; Procedure for Adoption

Q. Who qualifies for the deaf or severely hearing impaired persons exemption (how is this exemption defined in the statute?)

A. For purposes of the deaf or severely hearing impaired persons exemption the applicant shall have a 71 decibels (Db) hearing average (average from both ears) hearing loss or greater in the better ear as determined by a licensed audiologist or qualified otolaryngologist, or rely on a visual means of communication such as American Sign Language or speech recognition, or whose hearing is so impaired as to substantially limit the person from processing linguistic information through hearing, with or without amplification, so as to require the use of an interpreter or auxiliary aid.

NOTE: The 71 Db hearing loss mentioned in the statute comes from a hearing test known as the Pure Tone Average, or PTA test. The following table (Table 1) lists degrees of hearing loss in decibels that result from this test. So, as you can see, anyone with a hearing loss of 71 Db's or greater in the better ear is in the severe to profound hearing loss categories.

Table 1

Db Hearing Levels
0 – 20 Db = normal – no significant hearing loss
20 – 40 Db = early or mild hearing loss
40 – 60 Db = moderate hearing loss
60 – 70 Db = moderately severe hearing loss
70 – 90 Db = severe hearing loss
91+ Db = profound hearing loss

Q. What is the amount of the exemption for the deaf or severely hearing impaired?

- A. Once adopted by a municipality under the provisions of RSA 72:27-a, any deaf person or person with severe hearing impairment as defined above shall receive an exemption each year on the [assessed value](#), for property tax purposes, on his or her residential real estate to a value of \$15,000.
1. A municipality may vote to modify or rescind the exemption as it sees fit under RSA 72:27-a, but in no case can the amount be less than \$15,000.
 2. The term residential real estate as used in this section shall mean the [real estate](#) which the person qualified for an exemption or a tax credit there under occupies as his principal place of abode together with any [land](#) or buildings appurtenant thereto and shall include manufactured housing if used for said purpose.

Q. What are the requirements to receive the exemption for the deaf or severely hearing impaired?

- A. In addition to the hearing loss requirement the applicant must also meet the following:
1. The applicant must own the [property](#).
 - a. Owned by the applicant jointly or in common with the applicant's spouse, either of whom meets the requirements for the exemption claimed; or
 - b. Owned by the applicant jointly or in common with a person not the applicant's spouse, if the applicant meets the applicable requirements for the exemption claimed; or
 - c. Owned by an applicant, or the applicant's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

2. The applicant must have been a New Hampshire resident for at least 5 years prior to the April 1 for which the application is being made.
3. The applicant must have a [net income](#) from all sources in the calendar year preceding April 1 in the year of application not exceeding \$13,400 if single or \$20,400 if married. Per this statute, the following is the method to use when figuring net income: Net income shall be determined by deducting, within a calendar year, from all money received from all sources including social security and pension payments, the amount of any of the following or the sum thereof:
 - a. Life insurance paid on the death of an insured.
 - b. [Expenses](#) and costs from expenses incurred in the operation of a business enterprise.
 - c. Proceeds from the sale of assets.
4. Owns net assets not in excess of \$35,000.
This amount does not include the value of the applicant's personal residence and up to 2 acres of [land](#) or the minimum single-family residential [lot](#) size specified in local [zoning](#) ordinance whichever is greater.

In no case shall municipalities lower the **Income Level** to less than \$13,400 for single persons and \$20,400 for married persons and **Assets to** less than \$35,000.

Q. Are there other exemption options for the deaf or severely hearing impaired?

- A. Yes. In addition to the exemption provided in this section, a person may claim an exemption for the [improvements](#) to assist persons who are deaf or severely hearing impaired as follows:
1. Every owner of residential real estate upon which he or she resides, and to which he or she has made improvements for the purpose of assisting a person who is deaf or severely hearing impaired who also resides on such [real estate](#) is each year entitled to an exemption from the [assessed value](#), for property tax purposes, upon such residential real estate determined by deducting the value of such improvements from the assessed value of the residential real estate before determining the taxes upon such real estate.
 2. The exemption under this paragraph shall apply only in taxable years during which the person who is deaf or severely hearing impaired resides in the residential real estate for which the exemption is claimed on April 1 in any given year.

Q. When does the exemption apply?

- A. It only applies to the taxable years in which the deaf or severely hearing-impaired person actually resides in the house and the April 1 rule applies.

Example: If the deaf/severely hearing impaired person moves out on April 2, the exemption stays until the following March 31 and then ceases the next April 1.

NOTE: The exemption applies to the owner of the property or anyone else who may reside there.

Section 10.5.1 –Other Exemptions

The following exemptions relate to specific [improvements](#) to a property. They must be adopted by the municipality in accordance with RSA 72:27-a, and as with other exemptions, require an application to be submitted.

RSA 72:62 Exemption for Solar Energy Systems

Q. What type of property qualifies for the solar exemption?

A. An exemption from the [assessed value](#), for property tax purposes, for persons owning [real property](#) which is equipped with a solar energy system as defined in RSA 72:61.

If the value of the improvement is not added to the assessment, there is nothing to subtract out.

Q. What is the definition of a solar energy system?

A. In this subdivision “solar energy system” means a system that utilizes solar energy to heat or cool the interior of a building or to heat water for use in a building and which includes one or more collectors and a storage container. “Solar energy system” also means a system that provides electricity for a building by the use of photovoltaic panels.

Q. What does not qualify as a solar energy system?

A. Under this definition “Passive” Solar devices such as windows, skylights, sun porches and other non-system devices would not qualify for a solar exemption.

RSA 72:66 Exemption for Wind-Powered Energy Systems

Q. What type of property qualifies for the wind-powered energy system?

A. An exemption from the assessed value, for property tax purposes, for persons owning [real estate](#) property which is equipped with a wind-powered energy system.

Q. What is the definition of a wind-powered energy system?

A. In this subdivision “wind-powered energy system” means any wind-powered devices which supplement or replace electrical power supplied to households or businesses at the immediate site.

Q. What could be considered a wind-powered energy system?

A. These are most often in the form of some kind of windmill or wind turbine. They are relatively rare in most residential and small business applications.

RSA 72:70 Exemption for Wood-heating Energy Systems

Q. What type of property qualifies for the wood-heating energy system?

A. An exemption from the [assessed value](#), for property tax purposes, for persons owning [real property](#) which is equipped with a wood-heating energy system.

Q. What is the definition of a wood-heating energy system?

A. In this subdivision “wood-heating energy system” means a wood burning appliance designed to operate as a central heating system to heat the interior of a building. The appliance may burn wood solely or burn wood in combination with another fuel. A central heating system shall include a central appliance to distribute heat by a series of pipes, ducts or similar distribution system throughout a single building or groups of buildings.

Q. What does not qualify as a wood-heating energy system?

A. A wood burning appliance shall not include a fireplace, meaning a hearth, fire chamber or similarly prepared place with a chimney intended to be usable in an open configuration whether or not it may also be closed and operated closed; or a wood stove meaning a wood burning appliance designed for space heating purposes which does not operate as a central heating system or as a sole source of heat.

NOTE: The key word is “system” which is a common theme to the previous three exemptions. In order to qualify for the exemption, there must be some active *system* in place rather than a simple passive type of mechanism.

Another thing to consider when implementing the Wind, Solar, or Wood-heating exemptions is the type of exemption that will be allowed. As with other exemptions, Elderly, Disabled, Blind, etc., it is recommended that a specific dollar amount be presented to voters on the warrant article for their approval on Solar, Wind, and Woodheating exemptions. Language such as “The cost of the system to the property owner” is vague and difficult to verify and over time becomes difficult to value in subsequent revaluations. Remember too that municipalities always have the option to vote to increase or decrease, as necessary, the exemption amount in future warrants articles as provided for in RSA 72:27-a.

RSA 72:81 Exemption for New Construction Commercial or Industrial Uses

Q. What property qualifies for the new construction commercial or industrial uses exemption?

A. The [increase](#) in the assessed value of new structures, additions, renovations or improvements to existing structures for commercial or industrial use, as defined by the municipality or as defined in RSA 72:80.

Q. What is the definition of a commercial or industrial use?

A. Commercial uses include all retail, wholesale, service and similar uses or the municipality may adopt the similar definitions contained in its zoning ordinance.

Industrial uses include all manufacturing, production, assembling, warehousing, processing, research and development activities or processing of waste materials. The municipality may adopt similar definitions contained in its zoning ordinance.

Q. Which taxes can be included in the exemption?

- A. The exemption can only apply for municipal and local school property taxes assessed by the municipality, and excludes state education property taxes and county taxes.

Q. How is the exemption calculated?

- A. Up to 50% of the increase in the assessed value attributable to construction of new structures, and additions, renovations, or improvements to existing structures can be exempt each year.

At the time of adoption of the exemption, the municipality shall specify the percentage rate to be exempted, the number of years' duration of the exemption, up to 10 years, following new construction and if the exemption applies to commercial or industrial uses, or both, or any references to zoning definitions, if applicable, within the vote for adoption. The exemption takes effect in the tax year beginning April 1 following its adoption. The exemption must be granted uniformly within that municipality to all projects that have filed a proper application.

The remaining duration of the exemption will be adjusted by the difference in equalization ratios following a revaluation by the municipality.

Example: A \$100,000 exemption is adjusted by the new equalization ratio (0.99) divided by the previous equalization ratio (0.80): $\$100,000 \times 0.99/0.80$

Q. How can someone apply for a commercial or industrial use new construction exemption?

- A. An owner can apply for the exemption prior to construction and by the December 31st before the tax year for which the exemption is being sought. If the municipal officials grant the exemption in anticipation of construction, it will be adjusted when the actual increase in assessed value becomes known. For construction that is incomplete as of April 1, the exemption for that year will be based on the increased assessed value attributable to the partial construction. If the exemption is based on partial completion for a tax year or years, the duration of the exemption will be adjusted to allow the cumulative amount of exemptions to be equal to the "as completed" exemptions for the adopted duration.

Municipal officials will notify applicants of their decision by the February 28th before the beginning of the tax year for which the exemption is sought. The decision will specify the amount of the exemption, that it is effective in the new tax year and the number of years the exemption applies. These decisions may be appealed as set forth in RSA 72:34a. Additional or updated information can be requested from the applicant if needed to determine eligibility. False statements or a refusal to provide requested information can result in the exemption being denied.

Section 10.6 – Religious, Educational, and Charitable Exemptions

The following discussion centers on properties that qualify under the general headings of RSA 72:23. This statute defines which entities are exempt from taxation and those that can apply for

tax-exempt status. The difference is that those entities that are exempt are the basic governmental [units](#). [Property](#) owned by the Federal Government is exempt from taxation without need of an application. Property owned by the State and property of municipal entities located within their own [jurisdiction](#) are generally exempt from taxation without application. However, property owned by state or municipal entities that is leased or rented to an outside party is taxable as [real estate](#).

Certain other properties owned by religious, educational and charitable entities may apply for tax-exempt status under certain conditions. Let's examine RSA 72:23 in more detail.

RSA 72:23 Real Estate and Personal Property Tax Exemption.

This statute seeks to describe, by category, a great variety of other property types and the requirements that must be met in order to qualify and maintain tax-exempt status.

Government Owned Property

Q. Does property owned by governmental entities have to pay property taxes and under what circumstances might they be liable to pay property taxes?

A.

1. Property owned by the Federal Government pays no property tax under any circumstances.
2. Property owned by the State of New Hampshire, or by a New Hampshire city, town, school district or village district, or by the university or community college system of New Hampshire is exempt from taxation, unless the property is used or occupied by someone other than the aforementioned under a [lease](#) or other agreement the terms of which provide for the payment of property taxes by the party using or occupying the property. If the lease or other agreement clearly states the lessee's obligation regarding payment of taxes, the property is taxable to the lessee.
 - a. The lease or other agreement must also include a provision that failure to pay property taxes when due shall be cause for the termination of said lease by the lessor. A tax collector of a governmental entity shall notify the lessor when taxes due are not paid and it shall be the duty of the lessor to terminate the lease and pay over to the tax collector from monies received from the lease an amount sufficient to satisfy the taxes due.
 - b. Exception to the lease rule is that it shall not apply to leases of state-owned railroad properties which are subject to railroad taxes under the provisions of RSA 82 or which provide revenue to the State, a portion of which is distributed to municipalities pursuant to RSA 228:69, I(a).

Q. What about property owned by county governments?

- A. [Lands](#), buildings and [personal property](#) owned and used by any county for governmental purposes, including hospitals, courthouses, registry buildings, and county correctional facilities shall be exempt from taxation. An exception applies to county farms and their lands, buildings and taxable [personal property](#) that shall be taxed.

Q. How are properties owned by religious groups affected by this exemption?

- A. Houses of public worship, parish houses, church parsonages occupied by their pastors, convents, monasteries, buildings and the [lands](#) appertaining to them owned, used and occupied directly for religious training or for other religious purposes by any regularly recognized and constituted denomination, creed or sect, organized, incorporated or legally doing business in this state and the personal property used by them for the purposes for which they are established, shall be exempt from taxation.

NOTE: The key phrase is owned, used and occupied directly for religious training or other religious purposes. All three tests must be met. If any property owned by a religious group is not being used for religious purposes or is rented to another party not providing religious related services, then that property shall be taxed. This includes vacant land or excess land that is not being used for religious purposes.

Q. Can this exemption be applied to schools, seminaries of learning, colleges, academies or universities?

- A. Yes. The buildings and [structures](#) of schools, seminaries of learning, colleges, academies and universities organized, incorporated or legally doing business in this state and owned, used and occupied by them directly for the purposes for which they are established. Including but not limited to the dormitories, dining rooms, kitchens, auditoriums, classrooms, infirmaries, administrative and utility rooms and buildings connected therewith, athletic fields and facilities and gymnasiums, boat houses and wharves belonging to them and used in connection therewith, and the land thereto appertaining. This is provided none of the income or profits are divided among the members or stockholders or used or appropriated for any other purpose than the purpose for which they are organized or established.

Q. When doesn't the exemption apply?

- A. The exemption doesn't apply when [lands](#) and buildings are not used and occupied directly for the purposes for which they are organized or incorporated, and the personal property used by them directly for the purposes for which they are established.

Q. What is the amount of the Religious, Educational, and Charitable exemption?

- A. With the exception of the Educational Exemption for dormitories, dining rooms and kitchens, the exemption is for the total value of the [property](#) meeting the requirements for exemption. Statute provides that if the value of the dormitories, dining rooms and kitchens exceed \$150,000, the value thereof in excess shall be taxable.

Q. Can the amount of the Religious, Educational, and Charitable exemption be increased?

- A. Yes. At an annual town meeting or the governing body of a city may vote to increase the amount of the exemption upon dormitories, dining rooms and kitchens.

Q. Are charitable organizations and other non-profit or 501-3c corporations exempt under 72:23?

A. The buildings, [lands](#) and [personal property](#) of charitable organizations and societies organized, incorporated, or legally doing business in this state, owned, used and occupied by them directly for the purposes for which they are established, provided that none of the income or profits thereof is used for any other purpose than the purpose for which they are established may be eligible for exemption. For the purposes of this section, the term “charitable” shall have the meaning set forth in RSA 72:23-1. Simply being a 501-3c corporation does not qualify one for the exemption.

An organization **may** not always be considered charitable just because they conduct non-profit activities.

NOTE: This definition of charitable requires an applicant be required to provide some charitable service and be obligated by its charter to provide this service to a substantial and indefinite segment of the general public that includes residents of NH with no financial profit or benefit to its officers or members, or those of any related organization. The fact an organization’s activities are not conducted for profit shall not in itself be sufficient to render the organization charitable under this Chapter. Additional information may be obtained from the New Hampshire Department of Justice, Charitable Trust Unit.

Q. How can someone apply for a Religious, Educational or Charitable exemption?

A. Applicants can apply to selectmen or assessing officials on BTLA Form A-9, [List of Inventory of Taxable Properties](#), no later than April 15 of the tax year for which the exemption is being sought. Accident, mistake or misfortune applies if the selectmen or assessing officials, at their discretion, are satisfied the information supplied is accurate. RSA 72:23-c.

1. Applicants are required to supply a copy of the organization’s charter or articles of incorporation that indicates they are required by it to perform charitable acts to a substantial and indefinite segment of the population that includes NH residents.
2. BTLA Form A-12, Statement of Financial Condition, must also be filed before June 1 annually to maintain their charitable exemption. This form applies only to charitable organizations.

NOTE: BTLA Form A-9 must be submitted **annually** to the municipality by April 15 or the municipality may remove the charitable organizations exemption. This form applies to religious and educational organizations as well.

Q. What if the application is denied?

A. If denied, the taxpayer may on or before September 1 file an [appeal](#) to BTLA or Superior Court (RSA 72:34-a).

RSA 72:23-a Veteran's Organizations.

This statute specifically exempts the [real estate](#) and the [personal property](#) owned, occupied and used directly by the New Hampshire Veterans Association, the United Spanish War Veterans, Veterans of Foreign Wars, the American Legion, the Disabled American Veterans, Sons of Union Veterans of the Civil War, Veterans of World War I Incorporated and any other veterans organization incorporated by Act of Congress or of its departments or local chapters or posts, shall be exempt from taxation. They must also **annually file** on or before April 15 BTLA Form A-9 and BTLA Form A-12 on or before June 1. Failure to annually file may result in the loss of the exemption for that year. Accident, mistake or misfortune applies.

RSA 72:23-b American Red Cross.

The real estate and the personal property belonging to the American National Red Cross shall be exempt from taxation. They must also annually file on or before April 15 BTLA Form A-9 and BTLA Form A-12 on or before June 1. Failure to annually file may result in the loss of the exemption for that year. Accident, mistake or misfortune applies.

RSA 72:23-d New Hampshire Congregational-Christian Conference.

RSA 72:23-e Nutfield Heights, Inc.

RSA 72:23-f Salemhaven, Inc.

RSA 72:23-g Letitia Pratt Foundation, Inc.

RSA 72:23-i Rannie Webster Foundation

RSA 72:23-j Senior Citizen Housing Development Corporation of Claremont, Inc.

RSA 72:23-k Charitable, Nonprofit Housing Projects.

The above New Hampshire organizations are exempt from [ad valorem](#) taxation but must render a payment in lieu of taxes (PILOT) on or before December 1 of each year; an amount equal to 10% of the shelter rent (income received from rents only, excluding fees for services and other types of income) received by the owner during the preceding calendar year. For cause shown, keeping in mind the nature and purpose of the corporation, the BTLA may abate all or a portion of the PILOT in any year. The owner shall on or before June 1 of each year file with the municipality in which the [property](#) is located BTLA Form A-12, Statement of Financial Condition, for the preceding fiscal year.

RSA 72:23-h Granges.

The [real estate](#) and [personal property](#) owned by Granges that are incorporated in NH shall be exempt from property taxes. If such property is rented for business purposes, the real estate shall not be exempt.

RSA 72:23-n Voluntary Payments in Lieu of Taxes (PILOTS).

The governing body of any municipality may enter into negotiations for a voluntary payment in lieu of taxes from otherwise fully or partially tax exempt properties, and may accept from such properties a voluntary payment in lieu of taxes.

Section 10.7 – Miscellaneous Property Tax Exemptions

There are a number of other exemptions that affect property taxes. These are mostly special purpose exemptions that do not affect a great many properties but are certainly worth mentioning for the benefit of those who may be affected by them.

RSA 72:7-c Exemption; Radio Towers, Antennas and Related Structures.

Radio antennas, towers and related or supporting [structures](#) used exclusively in the operation of an amateur communications station under Federal Communications Commission amateur radio service rules and regulations shall be considered personal property and are not taxable as real estate.

RSA 72:8 Electric Plants and Pipe Lines.

All structures, machinery, dynamos, apparatus, poles, wires, [fixtures](#) of all kinds and descriptions, and pipe lines employed in the generation, production, supply, distribution, transmission, or transportation of electric power or natural gas, crude petroleum and refined petroleum products or combinations thereof, shall be taxed as real estate in the town in which said [property](#) or any part of it is situated; provided that no electric power fixtures which would otherwise be taxed under this section shall be taxed under this section if they are employed solely as an emergency source of electric power.

RSA 72:8-a Telecommunications Poles and Conduits.

[RSA 72:8-c Valuation of Telecommunications Poles and Conduits](#)

The law was changed in 2016 regarding the assessment of telecommunications poles and conduits after much investigation and input from the ASB. In summary, a formula to be implemented by the NH DRA will determine Replacement Cost New (RCN) based on national published cost guides less depreciation calculated on a straight line basis for a period of 40 years with a residual value of 20 percent. The commissioner of revenue shall adopt rules pursuant to RSA 541-A to administer to determine the value the market value via this formula, thus equating market value with use value for this specific category of property.

Except as provided in RSA 72:8-b, all structures, poles, towers, and conduits employed in the transmission of telecommunication, cable, or commercial mobile radio services shall be taxed as real estate in the town in which such property or any part of it is situated. The [valuation](#) of such property shall be based on its value as real estate. Other devices and equipment, including wires, fiber optics, and switching equipment employed in the transmission of telecommunication, cable, or commercial mobile radio services shall not be taxable as real estate.

RSA 72:9 Where Taxable.

If the [property](#) described in RSA 72:8 or 72:8-a, shall be situated in or extend into more than one town, the property shall be taxed in each town according to the value of that part lying within its limits.

RSA 72:11 Water Works; Flood Control.

Property held by a city, town or district in another city or town for the purpose of a water supply or flood control, if yielding no rent, shall not be liable for taxation therein, but the city, town or district so holding it shall annually pay to the city or town in which such property lies an amount equal to that which such place would receive for taxes upon the average of the [assessed value](#) of such [land](#), without buildings or other [structures](#), for the three years last preceding legal process to acquire the same, or other acquisition thereof, the [valuation](#) for each year being reduced by all [abatements](#) thereon. But any part of such land or buildings from which any revenue in the nature of rent is received shall be subject to taxation; such payments shall be paid to the collector of taxes of the town or city in which such property lies upon notification from him, and such payment shall be made on or before December 1 in each year; provided, however, that after such acquisition the valuation thus established shall be subject to change, as to make such value proportional with the assessed value of other property in the town which is subject to taxation, so that such payment will

not exceed its proportion of the public charge in that year. Any city or town aggrieved by the payment in lieu of taxes on such property shall have the same right of [appeal](#) as a taxpayer may have.

RSA 72:11-a Water Works, Flood Control, Additional Provisions.

When a city, town or district has acquired, or acquires property in another city or town for the purpose of water supply or flood control which for any reason has been exempt from taxation, such property, if yielding no rent, shall not be liable to taxation therein but the city, town or district so holding it shall annually pay to the city or town in which such property lies a sum equal to that which such place would receive from taxes from such land, without buildings or structures thereon, as determined by the commissioner of revenue administration. Such payments shall be made as provided in RSA 72:11.

RSA 72:12 Public Utilities.

All [real estate](#) of railroads and other public utility corporations and companies that is not taxed under RSA 82 and RSA 82-A shall be [appraised](#) and taxed by the authorities of the town in which it is situated.

RSA 72:12-a Water and Air Pollution Control Facilities.

Q. Who and what qualify for the water and air pollution control facilities exemption?

- A. Any person, firm or corporation which builds, constructs, installs, or places in use in this state any treatment facility, device, appliance, or installation wholly or partly for the purpose of reducing, controlling, or eliminating any source of air or water pollution shall be entitled to have the value of said facility and any [real estate](#) necessary therefore, or a percentage thereof determined in accordance with this section, exempted from the taxes levied under this chapter for the period of years in which the facility, device, appliance, or

installation is used in accordance with the provisions of this section. This paragraph shall not apply to privately owned landfills or ancillary facilities located at such landfills or to sewage disposal systems installed pursuant to RSA 485-A:29 through RSA 485-A:41 and rules adopted pursuant thereto, except that any exemption for a sewage disposal system granted prior to 1-1-2010 shall remain in effect.

Q. How is application made and who approves the exemption amount?

A. The party seeking the exemption shall file an application with the Department of Environmental Services (DES) if the exemption sought is for a water pollution control facility or an air pollution control facility, with a copy to the taxing authorities in the municipality where the facility is situated. Said application shall describe the facilities and their function or functions and shall state the applicant's total investment therein and the portion allocable to each function.

Q. What is the DES's role in this process?

A. DES shall investigate and determine whether the purpose of the facility is solely or only partially pollution control. If DES finds the purpose of the facility is only partially pollution control it shall determine by an allocation of the applicant's investment in the facility what percentage of the facility is used to control pollution. In making its investigation, the department may inspect the facility and request other information from the applicant as is reasonably necessary to assist it in making its determination.

NOTE: Upon making its determination, DES shall notify the applicant and the taxing authorities of the municipality where the facility is situated whether the purpose of the facility is solely pollution control or, if not, what percentage of the applicant's investment in the facility should be allocated to pollution control.

Q. How should the taxing authorities, including DRA, handle a DES determination?

A. The taxing authorities shall each year separately [appraise](#) and describe the facility and related real estate and cause such [appraisal](#) and description to appear in their inventory. In accordance with the provisions of this section, the taxing authority shall exempt from the taxes levied under this chapter the appraised value of the facility and any real estate necessary therefore, or the exempt percentage thereof, determined by DES. The exemption period shall begin as of the April 1 next following the receipt of the DES's determination.

Q. May the municipality or the owner of the facility appeal a DES decision?

A. Yes. Either the municipality or the owner of the facility may request a rehearing or [appeal](#) from such determination in accordance with the provisions of RSA 541. This establishes the procedure for hearings and appeals.

Q. May a facility previously exempted under the now repealed RSA 149:5 apply for a pollution control exemption?

A. Yes! Such a facility may apply pursuant to RSA 72:12-A. Since RSA 149:5 was repealed in 1996, it's unlikely this situation will arise in 2007 or later.

RSA 72:12-c Exemption Ski Area Machinery.

Q. What types of ski area machinery are considered personal property and not subject to the property tax?

- A. Ski area machinery and equipment of every kind and description, except tramway towers, shall be exempt from taxation as [real estate](#) if it meets all of the following qualifications:
- It is used or useful in the operation of a passenger tramway or in the production of man-made snow, including: cables, sheaves assemblies, carriers, pipelines, compressors, pumps, electrical apparatus;
 - It is not permanently affixed to the real estate upon which it is located; and
 - It is capable of being removed from the real estate.

RSA 72:12-d Exemption Demountable Greenhouses.

Q. Are certain plastic demountable greenhouses exempt from taxation under RSA 72:6?

- A. Yes. However, demountable, plastic-covered greenhouses shall be exempt from taxation as provided by RSA 72::6, **if all** of the following qualifications are met:
1. Removal of the demountable greenhouse will not affect the utility of the underlying real estate.
 2. The demountable greenhouse is not permanently affixed to the underlying real estate with concrete or similar non-portable footings.
 3. Removal of the demountable greenhouse can be accomplished without significant damage to the greenhouse and will not render the greenhouse unfit for subsequent use as a demountable greenhouse.
 4. The demountable greenhouse is specifically designed, constructed, and used for culture, propagation, and protection of agricultural products.
 5. The demountable greenhouse is not used for the retail sale of any non-agricultural products.

For purposes of this section, the term “demountable, plastic-covered greenhouse” means:

- Framework.
- Coverings.
- Electric services not fixed to the underlying [real estate](#).
- Benches.
- A source of heat not fixed to the underlying real estate.
- A source of ventilation not fixed to the underlying real estate.
- An irrigation system not fixed to the underlying real estate.

RSA 72:22 Burial Places.

All public cemeteries and all property held in [trust](#) for the benefit of public burial places is exempt from taxation.

RSA 72:38 Exemption for Aviation Facilities; Partial Reimbursement for Taxes Paid.

A town, by vote of a majority of those present and voting at any regular town meeting, acting under an article duly incorporated in the warrant for said meeting, and a city, by vote of the governing body thereof, may exempt the owner of a privately owned air navigation facility available for public use without charge, who holds as of April 1 of any year a certificate for such facility from the Department of Transportation, Division of Aeronautics, Rail, and Transit, that the facility is necessary for the maintenance of an effective airway system, from taxation of such facility for each such year. For the purposes of this section the term air navigation facility includes all the surfaces of an airport encompassed within the principal boundaries that are maintained and available for the take-off, landing, taxiing, and open air parking of an aircraft using said airport, any air navigation or communications facility associated with the airport and any passenger terminal building available for public use without charge.

The owner of a privately owned airport, which is part of the statewide airport system and use of which is approved by the Department of Transportation, Division of Aeronautics, Rail, and Transit may after paying all local property taxes owed, apply to the director of the Division of Aeronautics, Rail, and Transit for a state reimbursement grant in the amount of the portion of property taxes paid on the qualifying area of the airport. Reimbursement grants shall be paid from general funds appropriated to the Division of Aeronautics, Rail, and Transit for each fiscal year; to the extent that such funds are available. Any application for a reimbursement grant shall be made within 6 months of the date on which the taxes were due and reimbursement shall not be made if application is made after this 6-month period. Measurements of the qualifying area of each airport shall be made by the division and shall remain in effect until the owner notifies the division of a change in property size. In this paragraph, "qualifying area" means non-revenue producing areas that are open to the public and required for airport operation.

Applicants for reimbursement shall apply to the division on a form provided by the division. The application form shall contain the following information:

- The name and address of any owner.
- The name of airport.
- The period for which application is being made.
- The computed acreage qualifying for reimbursement.
- The signature of any owner and date of filing.
- An attached copy of most recently paid tax bill.
- An owner may contest the Division's measurement of qualifying areas or other determinations with regard to reimbursement by petitioning the Department for a hearing pursuant to RSA 541-A:31-36.

Section 10.8 – Tax Deferrals

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

Q. Who may apply for the deferral for elderly and disabled?

A. Any resident property owner may apply for a tax deferral if the person:

- a. Is either at least 65 years old or eligible under Title II or Title XVI of the federal Social Security Act for benefits for the disabled; and
- b. Has owned the homestead for at least 5 consecutive years if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant; and
- c. Is living in the home.

The assessing officials may annually grant a person qualified under this paragraph a tax deferral for all or part of the taxes due, plus annual interest at 5 percent, if in their opinion the tax [liability](#) causes the taxpayer an undue hardship or possible loss of the [property](#). The total of tax deferrals on a particular property shall not be more than 85 percent of its [equity](#) value.

Application should be made by March 1 following the date of notice of tax (RSA 72:1-d) under penalty of perjury on Form PA-30 showing that the applicant is the true and lawful owner of the property on which the deferral is claimed and that the applicant is duly qualified at the time of application.

Q. How should the available equity value be figured?

A. The total of tax deferrals shall be determined by the following formula:

- o Equalize current assessments to bring to 100% of market value.
- o Multiply equalized assessments by 85%.
- o Subtract any good faith [encumbrances](#) ([mortgages](#), loans, [liens](#), etc.)
- o Result equals the available [equity](#) value in the property.

Example: [Assessed value](#) = \$225,000

Equalization Ratio = .92

$\$225,000 / .92 = \$244,600$ (Equalized value rounded to nearest \$100)

Mortgage Balance = \$65,000

Mechanic's Lien = \$2,600

$\$244,600 - \$67,600 = \$177,000$ (Equalized value less total encumbrances)

$\$177,000 \times .85 = \$150,450$ (the available equity value in the property)

\$150,450 = the cap that the total of tax deferrals may not exceed

Q. What if the deferral applicant also has a Veterans' Tax Credit of \$500 and an Elderly Exemption of \$25,000 with a tax rate of \$17.50?

A. Example:

Assessed Value = \$225,000

$\$225,000 - \$25,000$ (elderly exemption) = \$200,000

$\$200,000 \times 0.175$ (tax rate) = \$3,500 (assuming one tax bill per year)

$\$3,500 - \500 (veterans' credit) = \$3,000

\$3,000 = Total amount of tax to be levied for the year.

At any time during the tax deferral process, the governing body may consider [abatement](#) for good cause pursuant to RSA 76:16.

A tax deferral shall be subject to any prior liens on the property and shall be treated as such in any [foreclosure](#) proceeding.

Q. What happens when the owner of a property subject to a tax deferral dies?

A. The heirs, heirs-at-law, assignee, or devisee shall have first priority to redeem the [estate](#) by paying in full the deferred taxes plus any interest due. If the heirs, heirs-at-law, assignees, or devisees do not redeem the property within 9 months of the date of death of the property owner, the municipality may commit the accrued amount of the deferral to the collector of taxes with a warrant signed by the assessing officials requiring him or her to collect it; and the collector of taxes shall have the same rights and remedies in relation thereto as provided in RSA 76:13 and RSA 80. Prior to holding a tax sale or executing a priority tax [lien](#) under RSA 80:59, the collector shall, at least 30 days prior to such tax sale or tax lien execution, send notice by certified or registered mail to the last known post office address of the current owner, if known, or to the last known address of the deceased taxpayer, and to all mortgagees from whom permission has been sought pursuant to paragraph III of this section. Any person with a legal interest in the property may redeem it, either prior to the tax sale or tax lien execution, or subsequently as set forth in RSA 80:32 or RSA 80:69.

Q. What happens when the owner of a property subject to a tax deferral sells or otherwise conveys the property?

A. The owner or grantee shall pay in full the deferred taxes plus any interest due to the municipality granting the deferral. If the owner or grantee does not pay the accrued amount on the property within 9 months of the date of sale or conveyance of the property, the municipality may commit the accrued amount of the deferral to the tax collector with a warrant signed by the assessing officials requiring him or her to collect it; and the tax collector shall have the same rights and remedies as provided in RSA 76:13 and RSA 80.

Q. Does the municipality have to record the lien with the registry of deeds?

A. Yes. The assessing officials shall file notice of each tax deferral granted, within 30 days, with the registry of deeds of the county in which the property is located to perfect it.

Q. What is the deadline for assessing officials to respond to applicants for tax deferral?

A. Assessing officials have until July 1 prior to notice of tax as defined in RSA 72:1-d to reply by first class mail in writing to any taxpayer who timely requests a tax deferral.

Q. Does an applicant for a tax deferral have the right of appeal, if denied by the assessing officials?

A. Yes. Under RSA 72:34-a, when a taxpayer [appeals](#) the denial of a deferral application to the Superior Court or BTLA, the Court or Board may reverse or affirm, wholly or partly, or may modify the decision brought up for review when there is an error of law or when the Court or Board is persuaded by the balance of probabilities, on the evidence before it, that said decision is unreasonable.