



ORDINANCE

AMENDING THE ELDERLY AND DISABLED TAX EXEMPTIONS

CITY OF NASHUA

In the Year Two Thousand and Nineteen

The City of Nashua ordains that Part II “General Legislation”, Chapter 295 “Taxation” be amended by deleting the struck-through language and adding the new underlined language as shown:

1. In Article III “Exemption for Elderly Persons”:

“§ 295-3. Elderly exemption granted.

The City of Nashua hereby adopts the provisions of New Hampshire Revised Statutes Annotated 72:39-a and 72:39-b, as they may be amended from time to time, relative to elderly tax exemptions. The optional exemption, based on assessed value, for qualified taxpayers, shall be as follows:

- A. For a person 65 years of age up to 74 years of age: \$175,000 in the tax year beginning April 1, 2018, and \$192,000 in the tax year beginning April 1, 2019, and \$194,000 in the tax year beginning April 1, 2020;
- B. For a person 75 years of age up to 79 years of age: \$203,000 in the tax year beginning April 1, 2018, and \$224,000 in the tax year beginning April 1, 2019; and
- C. For a person 80 years of age or older: \$254,000 in the tax year beginning April 1, 2018, and \$280,000 in the tax year beginning April; 1, 2019.

§ 295-4. Qualifications.

~~To qualify, the person must have been a New Hampshire resident for at least three consecutive years, own the real estate individually, jointly, or if the real estate is owned by a spouse, he/she must have been married for at least five years. In addition, the taxpayer must have a net income of not more than \$50,000 or, if married, a combined net~~

~~income of not more than \$50,000 and own net assets not in excess of \$150,000, excluding the value of the person's residence.~~

A. No exemption shall be allowed under §295-3 unless the person applying therefor:

- (1) Has resided in this state for at least 3 consecutive years preceding April 1 in the year in which the exemption is claimed.
- (2) Had in the calendar year preceding said April 1 a net income from all sources of not more than \$50,000, or if married, a combined net income from all sources of not more than \$50,000. The net income shall be determined by deducting from all moneys received, from any source including social security or 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 incurred in the course of conducting a business enterprise; and
 - (c) Proceeds from the sale of assets.
- (3) Owns net assets not in excess of \$150,000, excluding the value of the person's actual residence and the land upon which it is located up to 2 acres. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "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.

B. Additional requirements for an exemption under §295-3 shall be that the property is:

- (1) Owned by the resident; or
- (2) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the age requirement for the exemption claimed; or
- (3) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable age requirement for the exemption claimed; or

- (4) Owned by a resident, or the resident's spouse, either of whom meets the age requirement for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.
- C. Upon the death of an owner residing with a spouse pursuant to subparagraph B(2) or B(4), the combined net asset amount for married persons shall continue to apply to the surviving spouse for the purpose of the exemption granted under §295-3 until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.
- D. No exemption shall be allowed if the resident applying therefor has, within the preceding 5 years, received transfer of the real estate from a person under the age of 65 related to him or her by blood or marriage.
- E. If any entitled person or persons shall own a fractional interest in residential real estate, each such entitled person shall be granted exemption in proportion to his or her interest therein with other persons so entitled, but in no case shall the total exemption to all persons so entitled exceed the amount provided in § 295-3.

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§ 295-6. Effective date.

The revised exemption set forth herein shall become effective ~~January 1, 1998~~ January 1, 2020 and will apply to the tax years beginning April 1, 2020.”

2. In Article IV “Tax Credit for Disabled”:

“§ 295-8. Tax ~~e~~Exemption for the disabled.

~~A taxpayer who provides proof of eligibility under Title II or Title XVI of the Federal Social Security Act for benefits to the disabled is entitled to a tax exemption. The exemption, based on assessed value, for qualified taxpayers shall be \$175,000 for the tax year beginning April 1, 2018, and \$194,000 for the tax year beginning April 1, 2019. The deadline for filing for the exemption shall be the April 15 prior to the setting of the tax rate.~~

The City of Nashua hereby adopts the provisions of New Hampshire Revised Statutes Annotated 72:37-b, as they may be amended from time to time, relative to exemption for the disabled. The optional exemption, based on assessed value, for qualified taxpayers, shall be as follows:

- A. Any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in the amount of \$194,000.

- B. A person who is eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under subsection A or the amount of the elderly exemption granted to the person under NRO §295-3, whichever is greater.
- C. Any person who at any time previously was eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled, but who is no longer eligible for such federal benefits due to reasons other than the status of that person's disability, shall be eligible for the exemption under subsection A or B, provided that the person submits an affidavit from a physician licensed in New Hampshire that attests to the fact that the person continues to meet the criteria for disability that are used under Title II or Title XVI of the federal Social Security Act.
- D. The exemptions in subsections A and B may be applied only to property which is occupied as the principal place of abode by the disabled person. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode. Nothing in this section shall preclude a qualified applicant from earning an income.

§ 295-9. Qualifications.

~~To qualify, a person must have been a New Hampshire resident for at least five years and own and occupy the real estate individually or jointly, or if the real estate is owned by a spouse, they must have been married for at least five years. In addition, the taxpayer must have a net income of not more than \$36,000 or, if married, a combined net income of not more than \$40,000 and own net assets not in excess of \$125,000 excluding the value of the person's residence.~~

- A. No exemption shall be allowed under §295-8 unless the person applying for an exemption:
- (1) Had, in the calendar year preceding said April 1, a net income from all sources of not more than \$50,000, or if married, a combined net income from all sources, of not more than \$50,000. The net income shall be determined by deducting from all moneys received, from any source including social security or 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 incurred in the course of conducting a business enterprise; and
 - (c) Proceeds from the sale of assets.

(2) Owns net assets not in excess of \$150,000, excluding the value of the person's actual residence and the land upon which it is located up to 2 acres. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "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.

(3) Has been a New Hampshire resident for at least 5 years.

B. Additional requirements for an exemption under §295-8 shall be that the property is:

(1) Owned by the resident;

(2) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;

(3) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed; or

(4) Owned by a resident, or the resident'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."

LEGISLATIVE YEAR 2019

ORDINANCE: O-19-063
PURPOSE: Amending the elderly and disabled tax exemptions
SPONSOR(S): Alderman Ernest Jette

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: The first tier of the elderly exemption for the age group 65-74 currently consists of 248 properties. The additional \$2,000 increase in this exemptions will reflect a loss of tax revenue of no more than \$10,822.72 at the current tax rate. The increase of \$25,000 in allowable assets for the disabled exemptions will reflect no additional loss of tax revenue at this time since no former applicant was denied due to having assets at or below the \$150,000 limit.

ANALYSIS

This legislation increases the amount of the elderly exemption for persons between the ages of 65 and 74 from \$192,000 to \$194,000 starting in the tax year beginning April 1, 2020. The amount of net assets allowed for the exemption for the disabled increases from \$125,000 to \$150,000. The intent of these two changes is to make the elderly exemption and the exemption for the disabled more uniform. The legislation also updates the language for the elderly tax exemption qualifications and the disabled tax exemption and qualifications to match the language found in New Hampshire RSA Chapter 72 ("Persons and Property Liable to Taxation").

Approved as to form: Office of Corporation Counsel

By: Dorothy Clarke

Date: 16 October 2019