Bill as Introduced

HB 467 – AS AMENDED BY THE HOUSE

25mar03... 0902h

2003 SESSION

03-0742
10/09

HOUSE BILL ***467***

AN ACT allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

SPONSORS: Rep. Patten, Carr 7; Rep. D. Fields, Hills 58; Rep. Heon, Straf 67; Sen. Johnson, Dist 2

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill allows towns and cities to adopt an optional property tax credit for service-connected total disability in an amount from $701 up to $2,000.

This bill also, effective April 1, 2005, changes the filing date for applications for all exemptions or tax credits, and repeals the additional optional filing date for the elderly exemption.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 467 – AS AMENDED BY THE HOUSE

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03-0742
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Tax Credit for Service-Connected Disability; Optional Amount Increased. Amend RSA 72:35 to read as follows:

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

I. 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 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.

I-a. The optional tax credit for service-connected total disability, upon adoption by a city or town pursuant to RSA 72:35-a, shall be an amount from $701 up to $2,000. The optional tax credit for service-connected total disability shall replace the standard tax credit in its entirety and shall not be in addition thereto.

I-b. Either the standard tax credit for service-connected total disability or the optional tax credit for service-connected total disability shall be subtracted each year from the property tax on the person's residential property. However, the surviving spouse of a resident receiving the tax credit for service-connected disability may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

II. The ***standard or optional*** tax credit [~~in paragraph I~~] ***under this section*** may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.

III.(a) Any person applying for the ***standard or optional*** tax credit [~~granted in paragraph I~~] ***under this section*** shall furnish to the assessors or selectmen certification from the United States Department of Veterans' Affairs that the applicant is rated totally and permanently disabled from service connection. The assessors or selectmen shall accept such certification as conclusive on the question of disability unless they have specific contrary evidence and the applicant, or the applicant's representative, has had a reasonable opportunity to review and rebut that evidence. The applicant shall also be afforded a reasonable opportunity to submit additional evidence on the question of disability.

(b) Any decision to deny an application shall identify the evidence upon which the decision relied and shall be made within the time period provided by law.

(c) Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.

~~[IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-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 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 yearly tax credit in the amount of $1,400 of property taxes on the person's residential property.~~

~~(b) The tax credit in subparagraph (a) may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to the taxes due on any land or buildings appurtenant to the residence or to manufactured housing, if that is the principal place of abode.~~

~~(c) Applications for this credit shall be made in the manner prescribed by paragraph III. Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.]~~

2 Optional Tax Credit for Service Connected Disability; Procedure for Adoption. RSA 72:35-a is repealed and reenacted to read as follows:

72:35-a Procedure for Adoption; Optional Tax Credit for Service Connected Disability.

I. Any town or city may adopt the provisions of RSA 72:35, I-a for an optional tax credit for service-connected total disability in an amount from $701 up to $2,000 in the following manner:

(a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

(b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the optional tax credit for service-connected total disability provided in RSA 72:35 and the amount of the optional credit to be granted. The credit shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may change or rescind the optional credit provided by RSA 72:35 in the manner described in paragraph I.

3 Application for Exemptions or Tax Credits; Filing Date Changed in 2005. Amend RSA 72:33 to read as follows:

72:33 Application for Exemption or Tax Credit.

I. [~~Except as provided in RSA 72:33-b,~~] No person shall be entitled to the exemptions[~~, deferrals,~~] or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, [~~38-a,~~] 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by [~~March 1 following the date of notice of tax under RSA 72:1-d~~] ***April 15 preceding the setting of the tax rate***, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption[~~, deferral,~~] or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption[~~, deferral,~~] or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting tax exemptions, [~~deferrals,~~] and credits pursuant to RSA 72.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

I-a. If any person, otherwise qualified to receive an exemption or credit, shall satisfy the selectmen or assessors that he or she was prevented by accident, mistake or misfortune from filing a permanent application or amended permanent application on or before April 15 of the year in which he or she desires the exemption to begin, said officials may receive the application at a later date and grant an exemption or credit for that year; but no such application shall be received or exemption or credit granted after the local tax rate has been approved for that year.

II. 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[~~; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by RSA 72:38-a~~].

III. If the selectmen or assessors are satisfied that the applicant has willfully made any false statement in the application to obtain an exemption or tax credit, they may refuse to grant the exemption or tax credit.

IV. [Repealed.]

V. In addition to the above requirements, applicants for exemption who claim ownership pursuant to RSA 72:29, V shall file with their application an additional statement signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing they meet the requirements of RSA 72:29, V.

VI. The assessing officials may require applicants for any exemption or tax credit to file the information listed in RSA 72:34, or the statement required by RSA 72:33, V periodically but no more frequently than annually. Failure to file such periodic statements may, at the discretion of the assessing officials, result in a loss of the exemption or tax credit for that year.

4 Investigation of Application. Amend the introductory paragraph of RSA 72:34, I to read as follows:

I. On receipt of an application provided for in RSA 72:33 ***or RSA 72:38-a***, the selectmen or assessors shall examine it as to the right to the tax exemption, tax deferral or tax credit, the ownership of the property listed, and, if necessary, the encumbrances reported.

5 New Paragraph; Tax Deferral for the Elderly or Disabled. Amend RSA 72:38-a by inserting after paragraph II the following new paragraph:

II-a. No person shall be entitled to the deferral under this section unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, 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. 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 a deferral on an annual basis so long as the applicant does not change residence; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by this section. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting a deferral.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

6 Repeal; 2005. RSA 72:33-b, relative to the optional date for filing for elderly exemptions, is repealed.

7 Effective Date.

I. Sections 1 and 2 of this act shall take effect April 1, 2003.

II. The remainder of this act shall take effect April 1, 2005.

Committee Minutes

SENATE
WAYS AND MEANS
COMMITTEE

HEARING REPORT

FROM: Joshua Chamberlain
RE: HB 467 - (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.
DATE: April 25, 2003
ACTION: no action was taken

SPONSOR(S): Rep. Patten, Carr 7; Rep. D. Fields, Hills 58; Rep. Heon, Straf 67; Sen. Johnson, Dist 2

WHAT THE BILL DOES: This bill allows towns and cities to adopt an optional property tax credit for service-connected total disability in an amount from $701 up to $2,000.

This bill also, effective April 1, 2005, changes the filing date for applications for all exemptions or tax credits, and repeals the additional optional filing date for the elderly exemption

WHO SUPPORTS THE BILL: The Sponsors, Rep. Leber, Dennis Viola-State Veterans Council, David Kenney-Veteran Advisory Committee

WHO OPPOSES THE BILL: no one appeared in opposition

TESTIMONY:
Rep. Patten introduced the bill. Currently, the credit is a standard tax credit of $700 on the property tax with an optional tax credit of up to $1,400. Patten said the bill would increase the optional tax credit from $701 up to $2,000. Taxpayers would have the option to receive the standard credit or the optional tax credit, not both. The House committee also amended the bill to reflect an effort to allow taxpayers to address both tax exemptions and credits on a standard form. The committee heard that in the past there has been an optional date to apply for the tax credit. However, taxpayers often applied for the credit after the tax rate was set at the local level so there was no way for municipal officials to forecast local revenues and would generally put more into the overlay to cover the difference. HB 467 sets the date at April 15th, a date that precedes the setting of the local tax rate. The bill also provides local authorities with the authority to waive the date and accept an

application for an exemption should a taxpayer miss the April 15th deadline with good cause.

Dennis Viola, State Veterans Council, supports the legislation and said HB 467 is aimed at a very narrow segment of the disabled veteran population – veterans who are rated permanently and totally disabled from service or their surviving spouses are eligible for the credit. Most of these veterans cannot work and their sole source of income is the check from the U.S. Department of Veterans Affairs while property taxes have increased faster than the rate of inflation.

David Kenney, Veterans Advisory Committee, said HB 467 will provide value and equity to the credit for the people who need it.

SENATE WAYS and MEANS COMMITTEE
State House, Room 103
Concord, New Hampshire
Friday, April 25, 2003

HOUSE BILL 467, AN ACT allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

Testimony of:
Rep. Betsey Patten 1
Rep. Dennis Fields 4
Mr. Dennis Viola 5
Mr. David Kenney 7

CHAIRMAN D'ALLESANDRO: We will open the public hearing on House Bill 467, allowing towns or cities to increase the property tax credit for service-connected total disability and relative to the date for filing for exemptions and tax credits, and call upon the prime sponsor, Rep. Patten. Welcome Rep. Patten. Sorry the audience has diminished, but the importance and glow of your testimony will be manifested in the permanent record. We'll make that perfectly clear.

BETSEY PATTEN, Representative, County, District: Thank you. Thank you, Sen. D'Allesandro.

CHAIRMAN D'ALLESANDRO: Thank you.

REP. PATTEN: For the record, my name is Betsey Patten. I represent Carroll County, District 7, which is the towns of Moultonborough, Tuftonboro and Wolfeboro. I also am the chairman of Municipal and County Government that passed this bill and sent it to you as amended and it went through the House.

And I'd just like to give you a quick overview of what we have right now for the tax credit for service-connected total disability. At the moment, it is a standard tax credit of $700 on

the property tax. What we would like to be able to do with the optional tax credit is to go and increase that amount from 701 up to 2000, which you can see on line 10. At the moment, the optional credit -- tax credit is $1400 and we felt that we would like to increase it. We also had discussed this last session and we kind of got stuck in a Committee of Conference, and so we have these bills before both the House and the Senate again this year.

And one of the things that we have done in section 1 is that we have spelt out exactly what the standard credit is on line 7. Then on line 9 of page 1, we explain what the optional tax credit would be. And in lines 13 through 18, we explain how -- how you get that. You either get the standard tax credit or the optional tax credit, and it is not that you get both. And there has been a little bit of confusion. And so then we made the changes to that for the rest of the bill.

And we have taken out some lines on page 2. You will see line 6 through 17, which is the way that is adopted by the cities and towns that we have changed this. We have been trying in Municipal and County to get a procedure for adoption of both exemptions and credits into a standard form, so everybody is doing the same thing in the same way. So, that's where you see section 2 on line 18 through 35, where we talk about a different procedure but it gets you to the same place.

And then, if you look at section 3, we have -- in the past there has been a optional date to be able to apply for the tax credits. And what has happened is that you could apply for a tax credit or exemption, and it would be after the tax rate was set at the local level. So there was no way for municipal officials to be able to figure out what exactly was going to happen, so they would have to put extra in the overlay. So, what we did was we went back to the original April 15th, preceding the setting of the tax rate, so that there would be time for the local officials to know what's going on.

Also, on lines 21 through 27, we give them the fact that if a person cannot apply by April 15th and there is some misfortune or the applicant was prevented by accident, mistake or misfortune, that the selectmen could waive that date and be able to accept the application for the exemption. In this way it gives the -- again gives the local officials the ability to do that.

And everything else, I think is -- let's see, if you go to page 4 now, and we go up to line 14. We used to also have the date of March 1st for exemptions, credits and deferrals, because you cannot request a deferral until you know what your tax bill is. We have left the deferral for March 1st, and we have added the same procedure and the -- and the application procedure for the deferrals as it was, but we've just moved it out so it doesn't get mixed up with the exemptions and the credits.

And that's all I have to say on 467. I do know that we have the bills that are coming up. We have at least three of the bills that you will be hearing are also clumped together in Senate Bill 45, which Sen. Gatsas put through, and we have a side-by-side if you would like, later on, to look at them or if you have any questions on 467.

CHAIRMAN D'ALLESANDRO: Okay. His bill dealt with elderly exemptions?

REP. PATTEN: His is elderly and veterans.

CHAIRMAN D'ALLESANDRO: And veterans.

REP. PATTEN: And regular optional veterans and the totally disabled. And there is some just plain disabled, you didn't have to be a veteran.

CHAIRMAN D'ALLESANDRO: Right. Is there any chance of combining these bills?

REP. PATTEN: It would be very nice if we could do that.

CHAIRMAN D'ALLESANDRO: Great.

REP. PATTEN: And I would be willing to work and most happy to work to be sure that we can get something that is appropriate.

CHAIRMAN D'ALLESANDRO: Excellent, excellent. Well, keeping you happy, Rep. Patten, is my primary concern. So, obviously, if it will make you happy, we'll do it. Thank you very much. Appreciate your coming.

REP. PATTEN: All right. Thank you very much.

CHAIRMAN D'ALLESANDRO: Thank you. We have Rep. Leber is in support of the bill, but does not wish to speak. Is that correct, Rep. Leber?

REP. LEBER: That's correct, Senator.

CHAIRMAN D'ALLESANDRO: Speech is silver, but silence is golden.

REP. LEBER: That's great.

CHAIRMAN D'ALLESANDRO: And you are golden. Thank you very much. Appreciate that. Dennis Fields? Rep. Fields.

DENNIS FIELDS, Representative, Hillsborough County, District 58: After saying he's golden, maybe I shouldn't say anything.

CHAIRMAN D'ALLESANDRO: There's a brightness to silver, too, Dennis.

REP. FIELDS: I just want to go on the record as a cosponsor, but also very supportive of this for the veterans and the elderly. I'm Rep. Dennis Fields from District 58, Merrimack and now Litchfield, we represent.

So, I don't want to be repetitive of what Representative -- the chairman of the Municipal and County -- Patten said. I'd just would reiterate what she said and I would support anything you did with the other Senator's bill, as long as we don't lose the gist of what we have in here, and I'm sure we'll be watching for that. And appreciate your help, Senator.

CHAIRMAN D'ALLESANDRO: Okay, Dennis. Thank you very much.

REP. FIELDS: Thank you.

CHAIRMAN D'ALLESANDRO: Thank you, Rep. Fields. I think what we'll -- we'll try to get them altogether, because I think it makes a lot of sense, doesn't it? Better chance of passing with all the ingredients in one pie. Dennis Viola.

DENNIS VIOLA, Director, State Veterans Council: Good afternoon, Mr. Chairman. For the record, my name is Dennis Viola. I'm the director of the State Veterans Council. I'm here to speak briefly in support of House Bill 467 as amended, specifically the portion of the bill which deals with the property tax credit for service-connected total disability.

House Bill 467 is aimed at a very narrow segment of the disabled veteran population. That is, only those veterans rated permanently and totally disabled from service connection or their surviving spouses are eligible for this tax credit. Just as most of us believe that all veterans deserve a property tax credit, most also agree that permanently and totally disabled veterans need a tax credit.

By definition, most of these veterans can't work and their sole source of income is their monthly check from the U.S. Department of Veterans Affairs or the VA. That monthly check is adjusted for inflation annually, but I think we can all agree that our property taxes have increased faster than the rate of inflation, so the value of the tax credit is eroding every year.

Some of these veterans are forced to sell their homes because they can't afford to pay the taxes any longer. As the members of this committee know, the tax credit for this category of veteran is $700.

In 1989, in recognition of the erosion of the benefit, the legislature approved allowing cities and towns to increase the tax credit to $1400 if the voters in each municipality voted to do so. A majority of the municipalities approved the increase, but some did not. Now, 14 years after the last optional increase, the sponsors of this bill are seeking to enable the cities and towns to increase the optional maximum to $2000. For a municipality that's previously adopted the optional $1400 credit and votes to increase it to the full 2000, that would be 43 percent optional increase which doesn't even come close to the percentage increase we've seen in our property values and our property taxes over the last 14 years.

I'm sure the sponsors of this bill could have considered a much higher tax credit and would have been justified in doing so. But they obviously offered an increase that's both supportable by the municipalities and still meaningful to the approximately 1700 permanently and totally disabled veterans or their surviving spouses across the state. And as you've heard and as you know, this optional tax credit increase is also a major component of Senate Bill 45, which passed the Senate and is now in the House. So, there is clear consensus in both chambers that it's time to increase the credit.

I know the veterans of New Hampshire appreciate that sentiment and would urge you to keep their interest in the forefront when the members of the Senate and House ultimately try to reach a consensus on which bill will ultimately be signed into law. That concludes my testimony, be happy to take any questions?

CHAIRMAN D'ALLESANDRO: Thank you very much. Any questions?

MR. VIOLA: Thank you.

CHAIRMAN D'ALLESANDRO: If not, thank you. Appreciate your taking the time. David Kenny.

DAVID KENNEY, Vice Chair, Veterans Advisory Committee: Good afternoon, Senator and committee members. For the record, my name is Dave Kenney, and I'm here representing the Veterans Advisory Committee for the state, I'm the vice chairman. I'm not going to reiterate a lot of what was already said. I'm going to take a little bit of a different perspective, and I'll make it brief.

And I know you're aware of our committee, Senator, having been a member. But just for the other members, this committee is comprised of a lot of the major veterans organizations here in the state. As well as some state legislators, both on the House and the Senate side, and a number of advisors that occupy key positions, key military and veterans positions in the state, including Mr. Viola who has just preceded me.

And essentially, I'm here in support of this bill today. We feel that House Bill 467 is a significant step forward in bringing the equity and the value of tax credits that are currently offered in line with the current economy. It's been a while since this tax credit has been reviewed, essentially since its inception. And we believe that by increasing the tax credits for the totally disabled veterans, it will bring a sort of equity, if you will, and a value back to the tax credit itself.

Of course, the bill offers a great benefit to the disabled veterans by allowing local communities to raise the tax credit level to 2000 as stipulated in the bill. This, we feel, is more in line with bringing the intended benefit value in line with the current economy. This will also allow local communities to demonstrate in a greater fashion their support for local veterans and the appreciation of their sacrifice that they've made on behalf of all Americans.

And since this tax credit hasn't been reviewed in a while, we believe that this particular piece of legislation is very appropriate at this time. And is going to go a long way, I believe, to not only helping the disabled veterans who in some way, shape or form have very limited means of being able to sustain themselves through employment. But certainly, it's also going to benefit their families as well by taking and removing some of the economic burden that some of these veterans may have as a result of paying property taxes, as well as all the other things they likely have to pay for as part of their situation, their condition.

That essentially concludes my testimony, and I'm open for questions.

CHAIRMAN D'ALLESANDRO: Questions? If not, thank you very much for your testimony.

MR. KENNEY: Thank you very much, Senator. Appreciate it.

CHAIRMAN D'ALLESANDRO: Is there anyone else who wishes to testify for or against House Bill 467? If not, we'll close the hearing on House Bill 467

[Hearing closed]

Speakers

SENATE Ways And Means

Date 4/25/03 Time 1:45 PM Public Hearing on **HB 467**

(New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

(Please print) ***Please check box(es) at left that apply.***

SPEAKING?	FAVOR	OPPOSED	NAME	REPRESENTING
☑	☑	☐	Betsey Patten	Carroll Co
☑	☑	☐	Dennis W. Fields	Merrimack #58 & Litchfield
☑	☑	☐	Dennis Viola,	Director, State Veterans Council
☑	☑	☐	David Kenney,	Vice Chairman, Veteran Advisory Committee
☐	☑	☐	Rep. Bill Leger	Hsbrk Co. Dist 35
☐	☐	☐		
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Testimony

Testimony Regarding House Bill 467

Property Tax Credit for Service-Connected Total Disability

Senate Ways and Means Committee

25 April 2003

Good afternoon, Mr. Chairman and honorable committee members. My name is Dennis Viola, and I'm the Director of the State Veterans Council. I'm here to speak briefly in support of House Bill 467 as amended, specifically the portion of the bill which deals with the property tax credit for service-connected total disability.

HB 467 is aimed at a very narrow segment of the disabled veteran population. That is, only those veterans rated permanently and totally disabled from service-connection (or their surviving spouses) are eligible for this tax credit. Just as most of us believe that all veterans deserve a property tax credit, most also agree that permanently and totally disabled veterans NEED a tax credit. By definition, most of these veterans cannot work and their sole source of income is their monthly check from the US Department of Veterans Affairs (the VA). That monthly check is adjusted for inflation annually, but I think we can all agree that our property taxes have increased faster than the rate of inflation, so the value of the tax credit is eroding every year. Some of these veterans are forced to sell their houses because they can't afford to pay the taxes any longer.

As the members of this committee know, the tax credit for this category of veteran is $700. In 1989, in recognition of the erosion of the benefit, the legislature approved allowing cities and towns to increase that tax credit to $1400 if the voters in each municipality voted to do so. A majority of the municipalities approved the increase, but some did not. Now, 14 years after the last optional increase, the sponsors of this bill are seeking to enable the cities and towns to increase the optional maximum to $2000. For a municipality that has previously adopted the optional $1400 credit and votes to increase it to the full $2000, that would be a 43 percent optional increase, which doesn't even come close to the percentage increase we've all seen in our property values and property taxes over the past 14 years. I'm sure the sponsors of the bill could have considered a much higher tax credit and would have been justified in doing so, but they obviously offered an increase that is both supportable by the municipalities and still meaningful to the approximately 1700 permanently and totally disabled veterans or their surviving spouses across the state. As you know, this optional tax credit increase is also a major component of Senate Bill 45, which passed the Senate and is now in the House, so there is a clear consensus in both chambers that it's time to increase the credit. I know the veterans of New Hampshire appreciate that sentiment and would urge you to keep their interests in the forefront when the members of the Senate and House ultimately try to reach a consensus on which bill will ultimately be signed into law. Thank you.

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: {Type FLOOR DATE}

THE COMMITTEE ON Ways and Means

to which was referred House Bill 467

AN ACT (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

VOTE: 5-0

Having considered the same, report the same with the following resolution:
Resolved, that it is: **INEXPEDIENT TO LEGISLATE.**

Senator John Gallus
For the Committee

HB467 Docket

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Bill Title: (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits.

Date	Body	Description
1/9/2003	H	Introduced and ref to Mun & Cnty Govt; HJ 12, p197
2/11/2003	H	Hearing Mar 5 2:30 RM301,LOB
3/20/2003	H	Maj Report OTP/AM for Mar 25 (Vote 17-0;CC)
3/20/2003	H	Prop Comm Am{0902}(New Title); HC26, p702-705
3/25/2003	H	Passed with Am; HJ 29-pt 1, p881-884 + pt 2, p966
4/3/2003	S	Introduced and Ref. Ways & Means; SJ 11, Pg.272
4/16/2003	S	Hearing; April 25, 2003, Room 103, SH, 1:45 p.m.; SC19
5/29/2003	S	Committee Report; Inexpedient to Legislate, [06/05/03]; SC25
6/5/2003	S	Inexpedient to Legislate; SJ 19, Pg.638
6/5/2003	S	Sen. Gallus Moved Laid On Table, MA, VV; SJ 19, Pg.638

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Docket Abbreviations