

Senate Election Law and Municipal Affairs Committee

Jessica Bourque 271-2104

HB 1494, increasing the maximum amount of the optional veterans' tax credit, optional combat service tax credit, and optional surviving spouse tax credit.

Hearing Date: March 17, 2026

Time Opened: 9:47 a.m.

Time Closed: 9:56 a.m.

Members of the Committee Present: Senators Gray, Lang, Rochefort, Perkins Kwoka and Long

Members of the Committee Absent: None

Bill Analysis: This bill increases the maximum amount of the optional veterans' tax credit, optional combat service tax credit, and the optional surviving spouse tax credit.

Sponsors:

Rep. Pauer

Rep. Creighton

Rep. Moffett

Rep. Weyler

Rep. Wheeler

Rep. Mandelbaum

Rep. Maggiore

Sen. Watters

Sen. Gannon

Who supports the bill: Rep. Diane Pauer, Kevin Grady, Cory Stone, Stephanie Osborne, Richard Osborne, Janet Lucas, Eric Pauer, Sheila Donahue, Nancy Donahue

Who opposes the bill: None

Summary of testimony presented:

Representative Diane Pauer, Prime Sponsor, Hillsborough - District 36

- The bill is straightforward in its intent. It will increase three separate veteran-based property tax credits to adjust for inflation.
- Maximum values for the optional veteran's tax credit and optional combat service credit were last increased in 2018. The last credit, the optional surviving spouse credit, has not been adjusted since 2003.
- For a municipality to increase the value of the tax credit, it must be approved by a vote from the local legislative body.
- This bill provides modest relief for NH veterans.

Senator Gray stated he has heard of people getting tired of getting these types of bills year after year and stated that he believes that communities that adopt these tax credits should be able to set the amount for themselves.

Rep. Pauer said that in the past 6 years, the other veteran credits NH has in statute have been adjusted for inflation, but the numbers are not worth what they were when they were enacted. This veteran's credit is a local option.

Senator Gray expressed concern about getting similar veteran tax credit bills year after year and said that people don't understand how they all differ, so what tends to happen is that some tax credits are increased, but others get left behind.

Rep. Pauer replied that numerous communities are at their max benefit amount. Her community changed the veteran tax credits this past weekend. Rep. Pauer stated that these will be the last changes needed to veteran tax credits.

Senator Perkins Kwoka noted that a minimum amount isn't needed, as a \$50 credit could be outweighed by administrative costs.

Kevin Grady, NH State Veterans' Advisory Committee (NHVAC)

- When a bill involves money, NHVAC examines it very carefully because they are all taxpayers as well, and they understand that if you give a credit to one group, then another group has to cover that cost.
- Mr. Grady emphasized the bipartisan approach of the NHVAC before taking a stance on a bill.
- The NHVAC views the bill as a beneficial and supportive move for veterans.
- This bill will align with the interests of the state by promoting military families to move to New Hampshire.

Senator Gray expressed that in towns, there is confusion about the specifics of each of the tax credits that are already available, and asked if the amounts are removed and the towns are allowed to set the maximum freely, wouldn't that be better?

Mr. Grady replied that if the Senate were to pass a bill allowing towns to do whatever they can afford, with the exception of the \$50 mandatory credit, he believes his organization would support it.