

# Senate Election Law and Municipal Affairs Committee

*Jessica Bourque 271-2104*

**HB 99**, relative to a waiver from property taxes for disabled veterans.

**Hearing Date:** March 25, 2025

**Time Opened:** 9:47 a.m.

**Time Closed:** 10:15 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 range of the optional tax credit for service-connected total disability.

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**Sponsors:**

Rep. Moffett

Rep. Edwards

Rep. Roy

Rep. Seidel

Sen. Pearl

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**Who supports the bill:** Rep. Michael Moffett, Moira Ryan, Thomas Ryan, Dennis Martin

**Who opposes the bill:** No one

**Who is neutral on the bill:** Kevin Grady

**Summary of testimony presented:**

**Senator Lang, on behalf of the prime sponsor, Representative Michael Moffett.**

- House Bill 99 is relative to the waiver of property tax for disabled veterans.
- This bill was passed by the House Municipal and County Government Committee on a vote of 18 to 0 with an amendment.

**Moira Ryan, Veteran Advocate**

- This bill passed the House and Senate last year, but a Chevron rule was added to require the recipient to hold a Specially Adapted Housing (SAH) Grant.
- Believes the SAH requirement is inappropriate, as there are veterans who would qualify for the grant but will never receive it because only 120 of these grants are given out nationally.

- NH is the only state to have this requirement.
- Towns have the authority to grant elderly residents a 100% property tax exemption because the statute includes the words “not less than.” She would like to see the same language be added to this bill.
- Her town passed a warrant article asking if the town should grant 100% property tax exemption to permanent and total disabled veterans. This cannot be acted upon due to the current wording of the current law.
- The number one thing requested during the primary was an increase in tax breaks for disabled veterans.
- Inflation has hit this group particularly hard, and it is becoming more and more difficult for disabled veterans to stay in their homes.
- Suggested several items she would like the committee to consider:
  - Amend the bill to its original wording, allowing 100% property tax exemption for permanently and totally disabled veterans
  - Give the towns the ability to decide for themselves whether they would like to extend this benefit to permanent and total disabled veterans by mirroring the elderly tax exemption.
  - Add a means test using the household amount already established by the Congressional Budget Office.
- This exemption would not have a significant impact on the budget, as few veterans would qualify.
- The current tax credit costs her town \$284,000, which makes up 0.005% of the overall budget.
- Many states already have this credit in place, including Massachusetts and Vermont. Maine has a \$6,000 exemption.
- The optional tax credit has not been updated in 7 years.

**Representative Michael Moffett, Prime Sponsor, Merrimack - District 4**

- This was requested by members of the veteran community.
- Originally, this was a 100% tax credit for qualified permanently disabled veterans.
- During the House committee meeting, the Department of Revenue Administration (DRA) expressed concern about the 100% aspect, as the cost would vary by community.
- The House committee amended it to be \$5,000.
- Is ok with the amendment. It provides towns and municipalities with the option to offer a higher tax credit to totally and permanently disabled veterans. It does raise questions about the definition of '100% disabled'.

Senator Gray asked if Rep. Moffett has seen the amendment put forward by Representative Pauer.

- Representative Moffet answered that he had yet to see it.

Senator Gray explained that the \$4,000 credit was established to be in the middle, ensuring that a person owning an average house in NH would not have to pay any taxes. Raising it to \$5,000 would boost it back to the middle.

- Rep. Moffett stated that he understands the concerns DRA had about the cost, and he is fine with the amendment moving the credit to \$5,000.

Senator Rocheford asked about the reference to RSA 72:36-a, a separate section of law, regarding certain disabled veterans. The section has an allowance for tax credits and asked what the difference is between service-connected total disability and the disabilities laid out in RSA 72:36-a.

- Representative Moffett responded that some aspects of what constitutes a '100% permanent and total' disability are complex.
- Another issue that arose during the House hearing was whether a veteran's acceptance of a tax credit would affect the grants they may receive.
- He would need to conduct some research before providing a good answer.
- Said that Kevin Grady would be able to give a better definition.

Mr. Grady joined Rep. Moffet at the invitation of Senator Gray.

### **Kevin Grady, State Veteran's Advisory Committee**

- Did not take a position on this bill because his organization is aware that any monetary benefits veterans receive are funded by taxpayer dollars.
- The problem town administrators had with the bill last year was that it is difficult for them to budget appropriately.
- He is concerned that you would not see it on a warrant article because administrators may find the math too difficult. A dollar amount makes it easier for the administrators to plan.
- Over the last several years, they have been working to define what constitutes a veteran under RSA 21:50 and reference it in any bill pertaining to veterans.
- The State Veterans Advisory Committee's stance on bills that offer significant tax breaks is that they would like them to target those who truly need them. It is possible that a veteran with a 100% disability status from the Department of Veterans Affairs (VA) due to various problems sustained over the years could still have a six-figure career.
- Looks to help veterans who cannot work and are at risk of losing their homes.
- Stated that they can express their opinion on a bill but cannot delve into the specifics of the bill, as they are not experts in the technical aspects of implementing it.
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Senator Lang asked about the standard \$50 credit for all veterans and the \$700 optional credit.

- Mr. Grady said there was a bill to raise the \$750 to \$1,000 but it was tabled.

Senator Lang asked if a town chooses to adopt this credit, and a veteran applies for it, would this be the only one they could receive?

- Kevin Grady answered yes, as he understands it.

Rep. Moffet asked if Mr. Grady would be able to answer Senator Rocheford's question about the difference between '100% disabled' and 'permanently and totally' disabled.

- Mr. Grady stated that he would not be able to address everything on the topic, but clarified that when the VA assigns a "permanent" rating, it is based on the VA's opinion that the person will never be able to work again as a result of a service-related injury.

Senator Lang asked about Section 1 of RSA 72:35 and said that it specifically uses the language 'total and permanent' disability; however, I-a of the same section, the word 'permanent' is not used.

- Mr. Grady said this is the type of thing they are looking to fix and would like to make the language consistent throughout the statutes.
- Rep. Moffet clarified that there are veterans with different degrees of disability. The VA has documentation stating the levels of disability.
- The new language includes 'permanent' and will give the committee a clear definition for it.
- The VA has clear documentation stating that the individual is '100% permanently disabled', and this bill will only apply to those who meet this status.

### **Dennis Martin, Londonderry**

- Is a '100% permanent and totally' disabled veteran.
- 'Permanent and total' disability means that he can never work again. Unlike those who are '100% scheduled' who can work.
- Currently receives the \$4,000 tax credit, but that doesn't go very far in Londonderry as the increasing value of homes is driving up property taxes.
- Needs the credit to increase to continue living in Londonderry.
- The town has passed a warrant article to increase the credit.
- There are more disabled veterans out there than most people realize.
- At one time, he was also a homeless veteran; he does not want that to happen to other veterans.
- Hosts an annual blues festival to raise money for homeless veterans.
- To be eligible for the SAH grant, someone needs to be a double amputee.
- Asked Moira Ryan to join him to clarify SAH grant eligibility, and she confirmed that being a double amputee is one of the requirements for the SAH grant. Only 120 SAH grants are awarded nationally, making it unlikely that a resident of NH would receive one.
- There are approximately 250 homeless veterans in the state.

Senator Lang asked how Mr. Martin and Ms. Ryan would feel about changing it from a fixed dollar to a percentage of the property tax amount.

- Ms. Ryan said she would like to see the town have the option to decide whether it wishes to give more than the required percentage.

Senator Lang said the towns would have the option to do more than the percent.

- Ms. Ryan agreed that if that were the case, then that would be fine.