

# Senate Election Law and Municipal Affairs Committee

*Jessica Bourque 271-2104*

**HB 1296**, relative to the conditions for, and procedures for the adoption of, the elderly tax exemption.

**Hearing Date:** March 10, 2026

**Time Opened:** 9:54 a.m

**Time Closed:** 10:12 a.m.

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

**Members of the Committee Absent:** Senator Lang

**Bill Analysis:** This bill raises the income and asset value minimum thresholds for the elderly exemption tax credit.

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**Sponsors:**

Rep. E. Kelly

Rep. Almy

Rep. Ames

Rep. Caplan

Rep. Cloutier

Rep. Damon

Rep. Hakken-Phillips

Rep. Popovici-Muller

Rep. Wallner

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**Who supports the bill:** Rep. Eileen Kelly, Rep. Daniel Popovici-Muller, Daniel Richardson, Eric Pauer, David Carle, Jennifer Favreau, Ian Rogers, Dana Myskowski, Richard Hedrick, Elizabeth Fenner Lukaitis, Gary M Lukaitis, Mary Hakken-Phillips, Patricia Albano, Lauren Horner, Emily Karmen, Rebecca Courser, Colleen Murphy, Cory Stone, Anastasia Glavas, Jennifer Courser, Andrew Myers, Tami Lanzillo Zeimet, Dawn McKinney, Suzanna Derynioski

**Who opposes the bill:** Brodie Deshaies, Julie Smith

**Who is neutral on the bill:** Jim Michaud

**Summary of testimony presented:**

**Representative Eileen Kelly, Merrimack- District 8, Prime Sponsor**

- This law was enacted in 1996 and has not been updated since 2003.
- The elderly tax exemption helps very low-income seniors who struggle to keep up with rapidly increasing property taxes.
- To qualify, seniors must have lived in NH for three consecutive years and meet income and asset requirements.
- Under current law, to qualify, the taxpayer must have an income of less than \$13,400, or \$20,400 if married, and assets of less than \$35,000.

- This bill proposes raising the eligibility income to \$23,300 for individuals and \$35,500 for married couples, with the asset limit increasing to \$60,900.
- 33 municipalities still operate within the amounts set by the state.
- This bill also proposes that the exemption amount will automatically increase each year in line with inflation.
- This wouldn't be a significant amount for towns to absorb.
- Property taxes have increased rapidly, making it harder for elderly citizens to keep up. This would help senior citizens stay in their homes longer. Potentially saving taxpayers money, especially at the county level.
- NH AARP endorses this bill.

**Senator Rochefort** noted that Rep. Kelly testified that the state sets the baseline amount, but towns can increase it if they want. Senator Rochefort asked if towns already have the authority to set higher amounts, why is there a need to reset the baseline?

**Rep. Kelly** said there are still 33 towns at the state baseline level, and this effort aims to raise the amount statewide.

**Senator Rochefort** responded that if they have the authority and see a need to act, they will move forward. Essentially, this suggests we are directing them to do so.

**Rep. Kelly** said that no town is required to adopt this program; they can choose not to participate.

**Senator Gray** said that, in his view, this is a mandate for towns because they can already adjust the amount. Senator Gray added that if he were to vote for this, he would expect feedback indicating that a town was forced to raise this amount.

**Rep. Kelly** stated that it isn't a mandate since the program is already in place; it simply raises the minimum amounts.

**Senator Gray** explained that his point is that participation would require increasing the amount from \$13,000 to \$23,000. He noted that this is a substantial increase and asked how she justifies this change.

**Rep. Kelly** said she guesses she can't from that viewpoint.

#### **Brodie Deshaies, NH Municipal Association**

- Opposes this bill only because they interpret it as requiring the new provisions for the elderly tax exemption without any voter input.
- NHMA is not opposed to increasing the elderly tax exemption, but this would raise costs without voter participation, and NHMA's stance is that the exemption should be readopted by the voters.

**Senator Rochefort** questioned why this legislation is needed if towns already have the authority to alter the baseline.

**Mr. Deshaies** said he cannot comment on the bill's motive, but he believes the intent was for the new baseline to automatically adjust for inflation without requiring additional approval every few years.

**Senator Rochefort** said we were told towns can adjust it however they wish.

**Mr. Deshaies** said he agrees that each year, they are able to do that. No matter what, consent from the voters should be required for any expansion of a tax exemption, whether for the elderly or any other subgroup in the municipality.

**Senator Gray** asked why we couldn't just remove all the minimum amounts and let the towns set their own income and asset limits. Wouldn't that be good enough?

**Mr. Deshaies** stated that allowing municipalities to set their own amounts might be a good solution. However, he suggests establishing a baseline that is no lower than the current level.

**Jim Michaud, Hudson Town Assessor**

- Takes no position on this bill.
- He reviewed the Department of Revenue Administration (DRA) website, which outlines the 2024 exemptions and credits. After examining them, he asked, "What portion of these income and amount limits would be overridden by this bill?" and concluded that roughly 48% of all NH municipalities would have some form of override.
- Mr. Michaud reviewed a handout he provided to the committee, outlining his concerns with the bill:
  - On page 1, lines 29 and 30, the bill does not specify which option the DRA should select.
  - On Page 1, lines 27 and 28, there is a 15% rise in income and asset thresholds over a five-year period, and asked what this would look like. Do the automatic Consumer Price Index (CPI) adjustments represent a sustainable path for all NH municipalities?
  - On page 2, lines 1 and 2, the thresholds get "published," but how do municipalities find out about the new amounts?
  - On page 2, lines 3 & 4. This sentence is unclear and could be misinterpreted in multiple ways.
  - Questioned whether the CPI is the right metric to use for assets as opposed to income.
  - Questioned whether this would set a precedent for other RSAs.