Low & Moderate Income Homeowners Property Tax Relief
Program Overview
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Low & Moderate Income Homeowners
Property Tax Relief Program Overview

This presentation is intended for informational purposes only, and is not a substitute for seeking professional advice or for reviewing the applicable laws and rules. This presentation represents some positions of the Department on the limited issues discussed herein, based on the law in effect at the time of the presentation and Department interpretation thereof, as well as the opinions and conclusions of its presenter.

For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.) for independent verification.
This is intended to be an overview presentation of the Low & Moderate Income Homeowners Property Tax Relief Program (L&M Program). This presentation will not provide a thorough tutorial of the L&M Program, however it will highlight:

- When the L&M Program was created;
- Why the L&M Program was created;
- Links to FAQs and general information about the L&M program;
- Historical statistics; and
- The statute governing the program.
Chapter 158, Session Laws of 2001, enacted the L&M program for eligible low to moderate income claimants, who own a homestead in New Hampshire. RSA 198:56; RSA 198:57

For complete information regarding the Low & Moderate Tax Relief Program, refer to: https://www.revenue.nh.gov/faq/low-moderate.htm (frequently asked questions) or https://www.revenue.nh.gov/assistance/low-moderate.htm
The L&M Program (RSA 198:56-57) was designed to lessen the economic burden of the Education Property Tax on certain at-risk taxpayers.

Eligible claimants apply for relief to the New Hampshire Department of Revenue using Form DP-8. Claimants must include a copy of their final property tax bill and federal income tax return for the claim year and any additional documentation as required by law.

Completed Forms DP-8 must be postmarked no earlier than May 1, and no later than June 30 following the due date of the final property tax bill (although the DRA is able to accept applications up until November 1 under certain circumstances).
L&M Program Qualification Criteria

• The applicant must own a homestead subject to the state education property tax and have resided in such homestead on April 1 of the year for which the claim for relief is made;

• The applicant must have a total household income of (1) $20,000 or less if a single person or (2) $40,000 or less if married or head of a New Hampshire household.
<table>
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<th>YEARS</th>
<th>SWEPT TAX RATE</th>
<th># OF CLAIMANTS</th>
<th>AMOUNT REFUNDED (MILLIONS)</th>
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198:57 Low and Moderate Income Homeowners Property Tax Relief. –

I. Pursuant to the provisions of this subdivision, eligible claimants shall be granted tax relief following the effective date of this subdivision.

II. Residents shall apply to the department of revenue administration for such tax relief.

III. An eligible tax relief claimant is a person who:

(a) Owns a homestead or interest in a homestead subject to the education tax;

(b) Resided in such homestead on April 1 of the year for which the claim is made, except such persons as are on active duty in the United States armed forces or are temporarily away from such homestead but maintain the homestead as a primary domicile; and

(c) Realizes total household income of:

(1) $20,000 or less if a single person;
(2) $40,000 or less if a married person or head of a New Hampshire household.
L&M Program Statute – RSA 198:57

(Continued)

IV. All or a portion of an eligible tax relief claimant's state education property taxes, RSA 76:3, shall be rebated as follows:

(a) Multiply the total local assessed value of the claimant's property by the percentage of such property that qualifies as the claimant's homestead;

(b) Multiply $100,000 by the most current local equalization ratio as determined by the department of revenue administration;

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the education tax rate as shown on the tax bill under RSA 76:11-a;
L&M Program Statute – RSA 198:57
(Continued)

(d) Multiply the product of the calculation in subparagraph (c) by the following percentage as applicable to determine the amount of tax relief available to the claimant:

(1) If a single person and total household income is:

(A) less than $12,500, 100 percent;
(B) $12,500 but less than $15,000, 60 percent;
(C) $15,000 but less than $17,500, 40 percent; or
(D) $17,500 but less than or equal to $20,000, 20 percent.

(2) If a head of a New Hampshire household or a married person and total household income is:

(A) less than $25,000, 100 percent;
(B) $25,000 but less than $30,000, 60 percent;
(C) $30,000 but less than $35,000, 40 percent; or
(D) $35,000 but less than or equal to $40,000, 20 percent.

(e) The amount determined by subparagraph (d) is the allowable tax relief in any year.
V. If a homestead is owned by 2 or more persons as joint tenants or tenants in common, and one or more of such joint owners do not principally reside at such homestead, tax relief applies to the proportionate share of the homestead value that reflects the ownership percentage of the claimant. Only one claim may be filed for a single homestead.

VI. (a) Complete applications for state tax relief shall be filed with the department of revenue administration between May 1 and June 30 following the due date of the final tax bill as defined in RSA 76:1-a for state education property taxes.

(b) The commissioner may accept late filed, but complete, applications filed on or before November 1, under the following circumstances:

(1) The claimant satisfies the commissioner that the claimant was prevented from timely filing the application due to accident, mistake or misfortune.
(2) The claimant or other adult member of the household requested an extension of time to file his or her federal income tax return.
L&M Program Statute – RSA 198:57

(Continued)

VII. Each claimant shall provide a copy of his or her federal income tax return and a copy of the federal income tax return for each adult member of the claimant's household for the corresponding tax period. Claimants and adult household members who were not required to file a federal tax return for the immediately prior tax period may submit an affidavit to such effect in lieu of a tax return which document shall include the affiant's social security number. A claimant or any other adult member of the household, who requested an extension to file his or federal income tax return, shall attach a copy of the federal extension to the claim. A claimant who asserts ownership in a homestead because he or she holds equitable title, or the beneficial interest for life, in the homestead shall also submit a copy of the document creating such interest and a copy of the federal tax return, if any, for the immediately prior tax period, of the trust holding legal title to the homestead. Any documents submitted shall be considered confidential, and protected under RSA 21-J:14.

VIII. The provisions of RSA 359-C shall not apply to the documents required to be submitted under this section.
L&M Program Calculation Example

- **Example 1** – Married with income of $20k, value of home $250k, refund of $192.83. Percentage at 100%
- **Example 2** – Married with income of $35k, value of home $125k, refund of $39.20. Percentage adjusted to 20 percent based on income.
- **Example 3** – Single with income of $15k, value of home $65k, refund $52.26. Percentage adjusted to 40 percent based on income.
- **Example 4** – Single with income of NRTF, value of home 125k, refund $182.49. Percentage at 100%.
L&M Program Calculation Example

- **Example 5** – Single, Income of $13K, value of home $55k, refund of $62.70. Percentage adjusted to 60 percent.

- **Example 6** – Single, Income of $16k, value of home $200k [multi-family], refund of $76.59. Percentage adjusted to 40 percent.