



STAFF REPORT

AGENDA ITEM #: 23-24
COUNCIL MTG OF: March 7, 2023
FROM: Dave Caron, Town Administrator
OFFERED BY: Dave Caron, Town Administrator
PREPARED BY: n/a
SUBJECT: Re-adopt Veterans Tax Credits

INTRODUCTION: Recent amendments to relevant state statutes by the Legislature requires that the Town Council must re-adopt the provisions of RSA 72:28 II or the Vets' Credit, per the Department of Revenue Administration, would be reduced from \$500 per eligible veteran to the statutory baseline of \$50.

TOWN ADMINISTRATOR COMMENTS - Please see comments within this report.

BACKGROUND: The Town of Derry has been providing a property tax credit to veterans who served during times of conflict since the 1970's. At that time the standard credit was \$50 per veteran; since then, the Town Council has increased the amount granted to veterans over a series of actions to the current credit amount of \$500.00.

The State Legislature amended sections of RSA 72 which, in the opinion of DRA, requires either Town Meeting or the Governing Body to re-adopt the current credit. Failing to do so would result in DRA defaulting the amount allowed per veteran to \$50 at the time the 2023 tax rate is set.

DISCUSSION: - Although staff doesn't necessarily agree with DRA's position on this matter, the most prudent action to protect the current credit amount is to simply re-adopt the optional veterans credit at the \$500 level.

This action simply preserves what the Council has previously granted and does not change the program. The Council is aware of a further revision to state statutes which would extend the credit to all veterans who served and were honorably discharged. The Council previously constituted a subcommittee to review this matter and recognized that the fiscal impact to the remainder of the Town's property taxpayers would be significant.

This action does not prevent the Council from re-examining the program at some point in the future.

FISCAL IMPACT: Adoption of Resolution 2023-016 does not create any additional costs or shifts in the tax burden from what the Town is currently experiencing. In 2022, the Vets' Credit resulted in a credit totaling \$526,667 applied against the tax bill of eligible veterans.

(FYI, future expansion of the credit to all veterans is anticipated to result in at least an additional \$600,000 shifted to other taxpayers.)

RECOMMENDED ACTION BY COUNCIL

Please see Resolution #2023-016.

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RESOLUTION Number 2023-016

To Re-Adopt the Property Tax Credit Provided to Veterans

WHEREAS, Section 5.1 of the Town Charter designates the Town Council as the governing and legislative body of the Town; and

WHEREAS, RSA 72:27-a empowers the Town Council to determine if a credit will be applied against the property taxes of veterans eligible under RSA 72:28-a; and

WHEREAS, the Town, by action of the Town Council, has adopted the provisions of RSA 72:28-II providing for an optional veterans' tax credit, the amount of which is currently \$500 against the tax on the residential property of eligible veterans who are residents of Derry, or their eligible surviving spouses; and

WHEREAS, the State Legislature enacted revisions to state statute which requires the Council to re-adopt the optional veterans credit or have the credit default to \$50; and

WHEREAS, the Council deems it worthwhile and beneficial as a demonstration of support and gratitude to said veterans for their service to the United States of America and the State of New Hampshire;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the amount of the veterans' property tax credit is hereby re-adopted to \$500 (Five Hundred Dollars) per eligible veteran.

This Resolution shall take effect immediately upon its passage.

Adopted: March 7, 2023.

Attest:

X _____

Joshua Bourdon, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____