



# TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, including back up information, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

## MEETING INFORMATION

Date Submitted: January 21, 2022  
Submitted by: Town Manager Paul T. Micali  
Department:  
Speakers:

Date of Meeting: January 27, 2022  
Time Required: 20 minutes  
Background Info. Supplied: Yes:  No:

## CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/ Retirement:	<input type="checkbox"/>
<b>Public Hearing:</b>	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

## TITLE OF ITEM

Elderly Exemption Discussion

## DESCRIPTION OF ITEM

The Town Manager to present Elderly Exemption information as it relates to the increased values with the latest revaluation.

## REFERENCE (IF KNOWN)

RSA:	Warrant Article:	
Charter Article:	Town Meeting:	
Other:                      Town Code Chapter 178	N/A	

## EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

## CONTACT INFORMATION

Name:	<b>Paul T. Micali</b>	Address:	<b>6 Baboosic Lake Road</b>
Phone Number:	<b>603-424-2331</b>	Email Address:	<b>pmicali@merrimacknh.gov</b>

## APPROVAL

Town Manager:      Yes  No:       Chair/Vice Chair:      Yes  No:

# Memo



TO: Town Council  
FROM: Town Manager Paul T. Micali  
DATE: January 20, 2022  
RE: **Elderly Exemption**

The most recent revaluation has had an adverse effect on the town's elderly. Below are the requirements under RSA72:39 as well as income and asset limits.

## Elderly Exemption (RSA 72:39)

### Requirements:

- Must be a New Hampshire resident for 3 consecutive years
- Must be 65 on or before April 1st (or spouse)
- The property for which the exemption is applied must be the legal residence of applicant(s)
- Property Transfers: the property cannot be transferred within the last 5 years from a blood relative or marriage

The elderly exemption is based on applicant's income and assets

**Income Limit:** Yearly Net Income from ALL SOURCES including but not limited to SOCIAL SECURITY, PENSION PAYMENTS and IRA DISTRIBUTIONS : Single \$45,000, Married \$60,000

**Assets Limit:** \$200,000 excluding the Merrimack residence and up to 2 acres of land

### Current Merrimack's Elderly Exemptions:

#### Exemption Amount:

Age 65 - 74 \$75,000 off assessed value  
Age 75 - 79 \$100,000 off assessed value  
Age 80 & up \$125,000 off assessed value

As of April 2021 we had the following

	Exemption Amount	Total Exemptions	2020 Average Tax Bill	2021 Average Tax Bill	Difference	% Increase
Age 64-74	75,000	45	3,130	3,590	460	14.70%
Age 75-79	100,000	51	2,714	3,455	741	27.30%
Age 80 and older	125,000	97	2,371	3,242	871	36.74%

While looking at the increase I than further broke down each group and raised the exemption value increments of \$5,000 to show what the effect on the tax rate would be by group:

	Exemption Amount	Total Exemptions	2020 Average Tax Bill	2021 Average Tax Bill		Difference
Age 64-74	75,000	45	3,130	3,590		460
	80,000	45	3,130	3,504		374
	85,000	45	3,130	3,420		290
	90,000	45	3,130	3,340		210
	95,000	45	3,130	3,260		130
	107,250	45	3,130	3,141		11

	Exemption Amount	Total Exemptions	2020 Average Tax Bill	2021 Average Tax Bill		Difference
Age 75-79	100,000	51	2,714	3,455		741
	105,000	51	2,714	3,371		657
	110,000	51	2,714	3,286		572
	115,000	51	2,714	3,202		488
	120,000	51	2,714	3,118		404
	125,000	51	2,714	3,034		320
	147,250	51	2,714	2,715		1

	Exemption Amount	Total Exemptions	2020 Average Tax Bill	2021 Average Tax Bill		Difference
Age 80 and older	125,000	97	2,371	3,242		871
	130,000	97	2,371	3,156		785
	135,000	97	2,371	3,070		699
	140,000	97	2,371	2,984		613
	145,000	97	2,371	2,899		528
	150,000	97	2,371	2,814		443
	180,750	97	2,371	2,374		3

In order to adjust the taxable value of these resident's homes to closure match the increase values of other homes in the Town (as a result of revaluation) the following exemptions would need to be increased as shown below.

**Exemption Amount:**

Age 65 - 74 \$75,000 off assessed value to \$85,000 off assessed value (\$10,000)

Age 75 - 79 \$100,000 off assessed value to \$115,000 off assessed value (\$15,000)

Age 80 & up \$125,000 off assessed value to 150,000 off assessed value (\$25,000)

If the exemption amount was increased as shown above it would increase the tax rate to all other tax payers \$.01 per thousand. The average home of \$360,000 would pay an extra \$4 a year.

The Town council has two options. They can increase the exemption value by modifying Chapter 178 or they could move this item to a warrant article for the residents to vote on.

# TITLE V

# TAXATION

## CHAPTER 72

## PERSONS AND PROPERTY LIABLE TO TAXATION

### Property Taxes

#### Section 72:39-a

##### **72:39-a Conditions for Elderly Exemption. –**

I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor:

(a) Has resided in this state for at least 3 consecutive years preceding April 1 in the year in which the exemption is claimed.  
(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount applicable to each age group as determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than \$13,400 for a single person or \$20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

- (1) Life insurance paid on the death of an insured;
- (2) Expenses and costs incurred in the course of conducting a business enterprise;
- (3) Proceeds from the sale of assets.

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than \$35,000. A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

II. Additional requirements for an exemption under RSA 72:39-b shall be that the property is:

- (a) Owned by the resident; or
- (b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the age requirement for the exemption claimed; or
- (c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable age requirement for the exemption claimed; or
- (d) Owned by a resident, or the resident's spouse, either of whom meets the age requirement for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

III. Upon the death of an owner residing with a spouse pursuant to subparagraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

**Source.** 1996, 140:1. 2003, 299:14, 15. 2004, 238:3. 2006, 212:1, eff. June 1, 2006.

*Town of Merrimack, NH  
Friday, January 21, 2022*

## Chapter 178. Taxation

### Article I. Elderly Tax Exemptions

[Adopted 3-2-1976 ATM by Art. 10; last amended 12-3-2009 STM by Art. 2]

#### § 178-1. Exemptions established; qualifications.

- A. The elderly exemptions from property tax in the Town of Merrimack, based on assessed value, for qualified taxpayers, are as follows:
- (1) For a person 65 years of age up to 75 years: \$75,000.
  - (2) For a person 75 years of age up to 80 years: \$100,000.
  - (3) For a person 80 years of age or older: \$125,000.
- B. To qualify, the person must have been a New Hampshire resident for at least three years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married for at least five years. In addition, the taxpayer must have a net income of less than \$45,000 or, if married, a joint income of less than \$60,000 and own net assets not in excess of \$200,000, excluding the value of the person's residence.