New Hampshire Department of Revenue Administration
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TECHNICAL INFORMATION RELEASE
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A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. 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.). Questions should be directed to the Municipal and Property Division at (603) 230-5950.

Statutory Change to Property Tax Credits for Veterans Effective July 13, 2025

The purpose of this Technical Information Release (TIR) is to advise taxpayers, municipalities, and the general public regarding a statutory change to the interoperability of property tax credits available to veterans, effective July 13, 2025.

Under RSA 72:28, veterans may receive a standard Veterans' Tax Credit of $50, or an optional Veterans' Tax Credit amount from $51 up to $750 when the optional credit is adopted in their municipality. Alternatively, municipalities may adopt RSA 72:28-b, which makes the standard and optional credits in RSA 72:28 available to an expanded group of veterans (the All Veterans' Tax Credit). Additionally, municipalities may adopt RSA 72:28-c, which provides an Optional Tax Credit for Combat Service of from $50 up to $500 for a small group of eligible veterans in lieu of the credits under RSA 72:28 and 72:28-b.

Currently, under RSA 72:35, in addition to any credits received under RSA 72:28 or 72:28-c (but not 72:28-b), veterans may receive a standard Tax Credit for Service-Connected Total Disability of $700 or an optional Tax Credit for Service-Connected Total Disability of from $701 up to $4,000 when this optional credit is adopted in their municipality.

Finally, under RSA 72:36-a, certain disabled veterans with homesteads that have been specially adapted under one of two specified VA grant programs may be entirely exempt from the payment of property tax on the homestead.

During the 2025 legislative session, the New Hampshire General Court passed, and Governor Ayotte then signed into law House Bill 99 (Chapter 15, Laws of 2025), amending RSA 72:35. Effective on July 13, 2025:

- The maximum amount of the optional Tax Credit for Service-Connected Total Disability which may be adopted by municipalities is raised to $5,000;

- The language of the statute was clarified to emphasize that the credit is for persons who have total *and permanent* service-connected disability; and

- The optional Tax Credit for Service-Connected Total Disability may no longer be claimed in addition to credits received under RSA 72:28, 72:28-c, or an exemption under 72:36-a.

Under RSA 72:35 as amended by HB 99, the optional Tax Credit for Service-Connected Total Disability will replace the tax credits and exemption available pursuant to RSA 72:28, 72:28-b, 72:28-c and 72:36-a, effective July 13, 2025. As a result, municipalities should consider the following:

- For municipalities with the standard Tax Credit for Service-Connected Total Disability, ($700):
    - No action is required, veterans currently receiving the standard credit under RSA 72:35 may still receive a credit under either RSA 72:28, RSA 72:28-b, or RSA 72:28-c.
    - If the municipality votes to adopt an optional amount under RSA 72:35, I-a, they will need to ensure that any applicants receiving the optional credit are not also receiving a credit under RSA 72:28, 72:28-b, and 72:28-c, or an exemption under 72:36-a.
- For municipalities with an optional Tax Credit for Service-Connected Total Disability under RSA 72:35, I-a, ($701-$4000):
    - Any existing Optional Tax Credit for Service-Connected Total Disability will remain in place for the April 1, 2025 tax year.
    - Beginning with the April 1, 2026 tax year, qualified applicants choosing to receive the Optional Tax Credit for Service-Connected Total Disability, will not be eligible to receive a tax credit under RSAs 72:28, 72:28-b, and 72:28-c, or an exemption under 72:36-a.
    - If the municipality votes to rescind the optional amount under RSA 72:35, I-a, any applicants qualified for the standard Tax Credit for Service-Connected Total Disability may receive a credit under RSAs 72:28, 72:28-b, and 72:28-c, or an exemption under 72:36-a, if duly qualified.

Additional information about available veterans' tax credits can be found in RSA Chapter 72; in N.H. Code of Admin. Rules Rev 400, and on the Department's website or by contacting the Municipal and Property Division at (603) 230-5950.

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