

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department for 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.)

The purpose of this release is to provide information regarding the provisions of Chapter 338, Laws of 1999. Questions should be directed to Education Property Tax Hardship Relief Assistance at (603) 271-6000.

EDUCATION PROPERTY TAX HARDSHIP RELIEF

On November 3, 1999, Governor Shaheen signed into law Chapter 338, reenacting the state education property tax at a rate of \$6.60 per \$1,000 of equalized property value. This law also included a hardship relief provision.

Property owners eligible for hardship relief must meet all of the following criteria:

- * Own a "homestead", or interest in a "homestead", located in a municipality where the combined 1999 state and local education tax rate is higher than the 1998 school tax rate, and

- * Have resided in the "homestead" for one year or more, and

- * Had total "household income" in 1998 of :

- a) \$25,000 or less if a single person, or

- b) \$50,000 or less if a married person or head of a "New Hampshire household".

For this criteria:

"Homestead" means a dwelling owned and used as a principal place of residence and domicile. Active duty in the United States armed forces, or temporary absence from the homestead (as long as the homestead was maintained as the primary domicile), meet the residency requirement.

"Household income" means the total of the adjusted gross income for federal income tax purposes of all members of the household.

A "New Hampshire household" means any person filing a federal income tax return as a head of household, or two or more adults who jointly share the benefit of the homestead. "New Hampshire household" does not include those adults who share the homestead under a landlord-tenant relationship.

Any property owner meeting all of the three criteria listed above is eligible for a refund of a portion of their 1999 school taxes. The refund amount is based upon the tax rate increase, the assessed value of the homestead and the level of household income.

Applications and instructions for, Education Property Tax Hardship Relief, (Form DP-6) will be available by December 1, 1999 at municipal offices in towns and cities where the 1999 combined school tax rate increased from the 1998 school tax rate or by calling the department's forms line at (603) 271-2192. Completed applications, along with a copy of the 1998 federal income tax return(s) for all members of the household and copies of your 1998 and 1999 municipal tax bill, must be submitted within 60 days of the due date of the municipal tax bill. Application Form DP-6, should be submitted to:

NH DEPARTMENT OF REVENUE ADMINISTRATION, EDUCATION PROPERTY TAX HARDSHIP RELIEF BUREAU, PO BOX 299, CONCORD, NH 03302-0299.