

New Hampshire Municipal Tax Rates: How Are They Calculated?

Municipal & Property Division

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New Hampshire Municipal Tax Rates

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.



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Interest & Dividends Tax Repeal
Effective for taxable periods beginning after December 31, 2024, the I&D Tax has been repealed!

[LEARN MORE ABOUT THE I&D TAX](#)

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Municipal and Property Division

The mission of the Municipal and Property Division is to assure fairness, equity and proportionality in the assessment and collection of property taxes and the administration of municipal finances in the state.



Director Adam A. Denoncour

MUNICIPAL BUREAU

PROPERTY BUREAU

TAXES ADMINISTERED

ASSESSING STANDARDS & CURRENT USE BOARDS



The Department is responsible for establishing municipal, school, county, state, and village tax rates, providing technical assistance relative to taxation and finance to the over 550 political subdivisions of the state and conducting general supervision over municipal tax collectors.

[LEARN MORE ABOUT THE MUNICIPAL BUREAU](#)

MUNICIPAL & PROPERTY DIVISION

Address: PO Box 487, Concord, NH, 03302-0487

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ASSESSING STANDARDS BOARD

Email Address: asb@dra.nh.gov

CURRENT USE BOARD

Email Address: cub@dra.nh.gov

Related Links

[Educational Events](#)

[Municipal and Property Reports](#)

[Public Meetings and Hearings](#)

[Property Tax Abatement and Appeals](#)

[Understanding NH Property Taxes: The Official NH Assessing Reference Manual](#)



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Municipal Bureau

The Municipal Bureau is responsible for establishing municipal, school, county, and village district tax rates, providing technical assistance relative to taxation and finance to the political subdivisions of the state, and conducting general supervision over municipal tax collectors.

MUNICIPAL ADVISORS

MUNICIPAL PORTALS

MUNICIPAL REPORTS

MUNICIPAL TECHNICAL ASSISTANCE



The municipal advisor assigned to your municipality, school and village districts can be found below.

- [Municipality](#)
- [Village District](#)
- [School District](#)



MUNICIPAL BUREAU

Address: PO Box 487, Concord, NH, 03302-0487

Email Address: Municipal@dra.nh.gov

Phone: (603) 230-5090

Fax: (603) 230-5947

Related Links

[Municipal Forms and Instructions](#)

[Municipal and Property Reports](#)

[Municipal Audit Program FAQ](#)

[Handbook for Locally Elected Auditors](#)

[Handbook for Trustees of Trust Funds](#)

Establish 1,145 Property Tax Rates

- 259 Local municipal tax rates
 - 259 School tax rates
 - 259 State education tax rates
 - 259 County tax rates
 - 84 Village districts tax rates
-
- Review 6,500-7000 tax rate documents
 - Review 6,500+ appropriation warrant articles or resolutions

Basic Process

- The tax rate for each community is constructed from locally derived financial data
- Each city or town's rate is composed of a minimum of four components:
 - Local municipal tax rate
 - County tax rate
 - Local school tax rate
 - Statewide education tax rate

Overview of the Process

- Adequacy figures calculated by Dept. of Education
- State education tax calculated by Dept. of Revenue
- Municipal budget preparation
- Hold hearing(s)
- Post warrant & DRA budget form
- Town/school meeting vote on budget
- Documents to DRA within 20 days of meeting
- DRA reviews additional forms after September 1st
- Tax rate = \$

Setting of Tax Rates by Commissioner

RSA 21-J:3, XV

Establish and approve tax rates as required by law

RSA 21-J:35, I

The commissioner of revenue administration shall compute and establish the tax rate of each town, city, or unincorporated place

Setting of Tax Rates by Commissioner

RSA 21-J:35, II

To compute and establish the tax rates of towns, cities and unincorporated places under paragraph I, the commissioner shall **examine the reports required under RSA 21-J:34** to ensure that:

- (a) All appropriations have been made in a manner which is consistent with procedural requirements established by statute
- (b) No appropriations have been made which are prohibited by statute
- (c) All revenues have been estimated accurately and in a manner which is not prohibited by statute
- (d) All calculations are correct

Setting of Tax Rates by Commissioner

RSA 21-J:35, III

If the commissioner finds that appropriations were made in a manner which is inconsistent with statute, he shall delete the appropriation or that portion in question.

Setting of Tax Rates by Commissioner

RSA 21-J:35, IV

If the commissioner finds that the estimated revenues included are inaccurate or inappropriate he shall adjust the estimates in question.

1st Review Process

MS636/MS737 & MS232 & MS535

- Review meeting documents
 - Procedural requirements for appropriations
[RSA 21-J:35,II (a)]
 - Appropriations for legal purpose
[RSA 21-J:35, II (b)]
- Disallow or technical assistance letter
- MS535 Financial report for prior December year-end

2nd Review Process

MS1/MS434/MS24/MS25

- MS1 Equalization Bureau reviews for compliance
- MS25 school financial report due September 1st
- MS434/MS24 compare revenues to prior year's revenues
 - Revenue adjustments (RSA 21-J:35, IV)
 - Adjust appropriations if insufficient offsetting revenue
- Cooperative apportionments with Department of Education
- Village district apportionments
- MS535 financial report for June year-end municipalities

3rd Review Process

Preliminary Tax Rate

- Make additional revenue adjustments
- Town unassigned fund balance amount to use as offsetting revenue “surplus”
- Establish overlay (RSA 76:6)
- Commitment verification by Tax Collector
- If commitment verification not within the $\frac{1}{2}\%$ range, review with assessing office and resubmit revised MS1 form for a revised tax rate

Tax Rate Changes

Contributing Factors

- Increases/decreases to appropriations and/or revenues
- Credits and exemptions
- Local assessed valuations

Appropriations – Town Meeting

Increases and decreases to the:

- Amount of money approved at the annual meeting to operate the town

AND

- Non-property tax revenue collected, grants, fees, other taxes

Influence the amount of taxes required to be raised through the municipal property tax rate

Assessed Valuation

RSA 21-J:3

Property value is assessed as of April 1 each year.

- Assessed value of the entire town (MS1)
- Assessed value of an individual's property (tax bill)

Simple Formula

Appropriations – Revenues

Total Locally Assessed Value

Calculating Municipal Tax Rate

per \$1,000/value

gross appropriations

less non-property tax revenues (not including fund balance)

less fund balance voted

less fund balance to reduce taxes

plus war service credits

plus overlay

= TAXES NEEDED

divided by

locally assessed property valuation (*line 21E of the MS1 form*)

multiplied by 1,000

= municipal tax rate per 1,000

County Tax Rate

county net appropriation

x town's previous year equalized value as % of total county

= town's county assessment

divided by

locally assessed property valuation (*line 21E of the MS1 form*)

multiplied by 1,000

= county tax rate per 1,000

Local Education Tax Rate

per \$1,000/value

net school appropriations

less state grants and statewide education tax

divided by

locally assessed property valuation (*line 21E of the MS1 form*)

multiplied by 1,000

= local education tax rate per 1,000

Statewide Education Tax Rate

statewide education amount

rate producing \$363 million = \$1.030

*\$rate x town's previous year equalized value w/out utilities
(prior year)*

Divided by

locally assessed property valuation

without utilities (current year) (line 23B of the MS1 form)

multiplied by 1,000

= statewide education tax rate per 1,000

Statewide Education Tax Rate

- Money is raised locally
- Money is retained locally to offset education costs
- It is revenue to the local education tax effort

Education		
Description	Appropriation	Revenue
Net Local School Appropriations	\$1,719,373	
Net Cooperative School Appropriations	\$0	
Net Education Grant		(\$583,799)
Locally Retained State Education Tax		(\$217,159)
Net Required Local Education Tax Effort	\$918,415	

Importance of Correct Values on MS1 form

- Raise the necessary amount of taxes to operate
- Fair and equitable taxation
- Values are used for equalization

- Equalization used for:
 - County tax
 - Some cooperative school apportionments
 - State education tax and grant calculations
 - State revenue distributions

Tax Collector Warrant Amount

Tax Commitment Verification

2025 Tax Commitment Verification - RSA 76:10 II

Description	Amount
Total Property Tax Commitment	\$3,685,777
1/2% Amount	\$18,429
Acceptable High	\$3,704,206
Acceptable Low	\$3,667,348

If the amount of your total warrant varies by more than 1/2%, the MS-1 form used to calculate the tax rate might not be correct. The tax rate will need to be recalculated. Contact your assessors immediately and call us at 603.230.5090 before you issue the bills. See RSA 76:10, II

Commitment Amount	
Less amount for any applicable Tax Increment Financing Districts (TIF)	
Net amount after TIF adjustment	

Under penalties of perjury, I verify the amount above was the 2025 commitment amount on the property tax warrant.

Tax Collector/Deputy Signature:

Date:

Submit this signed verification form with a copy of the completed and signed warrant total page and an actual tax bill to your DRA municipal auditor.

Tax Collector's Warrant

RSA 76:10, II

If the warrant is not within the $\frac{1}{2}\%$ range the town may need a revised MS1 & tax rate

- Possible reasons for differences:
 - Tax collector database records different from assessing records
 - Rounding
 - Incorrectly billing of the utilities
 - Check credits and exemptions
 - Check abatements and inventory penalties

About How Much Will It Change My Tax rate?

- Valuation = \$10,000,000
- \$10,000,000 change in appropriation or revenue
- \$10,000 change = \$1 in tax rate
- \$5,000 change = \$.50 in tax rate
- \$1,000 change = \$.10 in tax rate

Questions?