

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.

A A A
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New Hampshire Department of Revenue Administration

Monday, August 1, 2022
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Voluntary Disclosure Program

Learn more about the Department's Voluntary Disclosure Program

Reminder Tool

Due by August 15th

Wholesalers Other Tobacco Products Tax Returns and Payments

How Do I?

- ◆ Get a Tobacco Tax License for e-cigarettes?
- ◆ Register a business in NH?
- ◆ Access NH tax laws?
- ◆ File an appeal?
- ◆ Find a Form?
- ◆ Report Tax Fraud
- ◆ Request for Resale and Exempt certificates?
- ◆ Make a Voluntary Disclosure?

[more How Do I](#)

Quick Links

- ◆ Related Links
- ◆ Overview of NH Taxes
- ◆ Taxpayer Bill of Rights

Welcome

New Hampshire Department of Revenue Administration

The mission of the Department of Revenue Administration is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.

Announcements and Notices

[More Announcements and Notices](#)

- ◆ **Rev 1700 Financial Accounting for Cities and Towns, final proposal was filed with the Office of Legislative Services on July 26, 2022.**
July 26, 2022
Final Proposal
- ◆ **Rev 3200 Education Tax Credit, final proposal was filed with the Office of Legislative Services on July 26, 2022.**

- ☑ [TIPS and Declaratory Rulings](#)
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Director
Samuel Greene

COVID-19 Updated Property Visit Policy

*Appraisers from the Municipal and Property Division will begin visiting properties for the purposes of contract monitoring and Assessment Review. **THERE WILL BE NO INTERIOR INSPECTIONS; only exterior inspections.** Property owners have been notified by postcard and have been given the option of opting out of a visit. Timber and gravel appraisers will continue to perform site visits in their usual manner.*

Please contact the Property Appraisal Bureau by calling (603) 230-5950 or by E-mail at appraisal@dra.nh.gov with questions or concerns.

Municipal

The Municipal and Property Division establishes and approves municipal, school, county, state and village district tax rates. Provides technical assistance relative to taxation and finance to the over 500 political subdivisions of the state and provides general supervision over municipal tax collectors.

Other services performed include:

- ❖ Prescribing a uniform chart of accounts for all municipalities;
- ❖ Establishing a standard technical assistance manual for use by municipalities;
- ❖ Reviewing trustees reports of trust funds in conjunction with the Department of Justice Charitable Trust Unit;
- ❖ Conducting workshops and seminars for municipal officials, including selectmen, budget committees, trustees of trust funds, tax collectors, and school officials.

Property

The Municipal and Property Division also oversees the Assessment Review and Equalization bureaus and has the responsibility of:

- ❖ Monitoring revaluations and revaluation contracts
- ❖ Timber and Gravel Excavation Assistance
- ❖ Assessing Standards, Current Use, and Equalization Standards Boards administrative assistance
- ❖ Reporting on a variety of assessment information - individual municipal and/or statewide levels

Assessment Review is the process of reviewing the assessing practices of each NH municipality over a five-year cycle to ensure compliance with applicable statutes and rules in the context of the Assessing Standards Board's Guidelines on Assessing Practices.

Equalization is the process of equalizing local assessed values for each NH municipality in order to bring the values to 100%. The equalization process includes compiling assessment data, conducting ratio studies, and preparing statistical reports. This includes administering the Flood, Forest and Recreation PILT reimbursement program and calculating Base Valuation for Debt Limits.

Contact Us by Mail

Subject	Address	City, State & Zip Code
Municipal and Property Division	PO Box 487	Concord, NH 03302-0487



Tuesday, March 5, 2024

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Municipal Bureau



Welcome to the Municipal Bureau

The staff at the DRA Municipal Bureau provides technical assistance relative to taxation and finance to the over 550 political subdivisions of the State and provides general supervision over municipal tax collectors.

Municipal Bureau Contact Information

- ◊ [Municipalities \(PDF\)](#)
- ◊ [Village Districts \(PDF\)](#)
- ◊ [County & Regional School Districts \(PDF\)](#)

2023 Municipal Tax Rates and Village District Tax Rates

- ◊ [2023 Municipal and Village District Tax Rates \(Excel\)](#)
- ◊ [2023 Municipal Tax Rates \(PDF\)](#) | [2023 Village District Tax Rates](#)

Municipal Tax Rate Setting Portal

[Municipal Tax Rate Setting Portal \(MTRSP\) Information](#)

Trustees of Trust Funds Portals

[Trustees of the Trust Funds Portal - Log In](#)

[Trustees of the Trust Funds - Support and Information](#) (Scroll to bottom of page)

[NH Department of Justice | Charitable Trusts Unit | Municipalities](#) - This site provides information relating to Trustees of Trust Funds including the filing of Forms MS-9 and MS-10, Handbook for Trustess of Trust Funds, Cemetery Trustees, Library Trustees, and available training sessions.

Municipal Assistance and Other Related Information

- ◊ [Property Tax Rates & Related Data](#)
- ◊ [Technical Assistance](#)
- ◊ [SB2 Technical Assistance](#)
- ◊ [Emergency Expenditure Procedures](#)
- ◊ [Municipal Audit Program](#)
- ◊ [Tax Collector Assistance](#)

Municipal Bureau Forms and Instructions

- ◊ [County](#)
- ◊ [Town / City](#)
- ◊ [Schools](#)
- ◊ [Village Districts](#)

Municipal Bureau Revenue Rules

- ◊ [Counties - Rev 2200](#)
- ◊ [Cities - Rev 1700](#)
- ◊ [Towns - Rev 1700](#)
- ◊ [Village Districts - Rev 2000](#)
- ◊ [Schools - Rev 1100](#)



Establish 1,144 Property Tax Rates

- 259 Local municipal tax rates
- 259 School tax rates
- 259 State education tax rates
- 259 County tax rates
- 108 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
- Cooperative apportionments with Dept. of Education
- Village district apportionments

2nd Review Process

MS1 & MS434

- MS1 Equalization Bureau reviews for compliance
- MS434 compare revenues to prior year's revenues
- Revenue adjustments (RSA 21-J:35, IV)
- Adjust appropriations if insufficient offsetting revenue
- MS25 school financial report due September 1st
- MS535 financial report for June year-end

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 $\frac{1}{2}\%$, 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 = \$1.440

*\$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	
2023 Tax Commitment Verification - RSA 76:10 II	
Description	Amount
Total Property Tax Commitment	\$3,096,065
1/2% Amount	\$15,480
Acceptable High	\$3,111,545
Acceptable Low	\$3,080,585
<p>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</p>	
Commitment Amount	
Less amount for any applicable Tax Increment Financing Districts (TIF)	
Net amount after TIF adjustment	
<p>Under penalties of perjury, I verify the amount above was the 2023 commitment amount on the property tax warrant.</p>	
Tax Collector/Deputy Signature:	Date:
<p><i>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.</i></p>	

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?