

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1713

H.P. 1223

House of Representatives, May 9, 2019

An Act To Return Funds to Maine Property Tax Payers

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Speaker GIDEON of Freeport.

Cosponsored by President JACKSON of Aroostook and

Representatives: BERRY of Bowdoinham, BICKFORD of Auburn, MORALES of South Portland, TIPPING of Orono.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1518-A**, as amended by PL 2015, c. 390, §1, is further amended
3 to read:

4 **§1518-A. Property Tax Relief Fund for Maine Residents**

5 **1. Property Tax Relief Fund for Maine Residents.** There is created the Property
6 Tax Relief Fund for Maine Residents, referred to in this section as "the fund," which must
7 be used to provide property tax relief to residents of the State. The fund consists of all
8 resources transferred to the fund under subsection 4 and section 1536 and other resources
9 made available to the fund. The fund must be used to ~~reduce the individual income tax~~
10 ~~rates to 4% pursuant to subsection 1-A~~ provide relief payments to property tax payers
11 pursuant to subsection 1-B.

12 ~~**1-A. Implementation.** By September 1, 2016 and annually thereafter, the State~~
13 ~~Controller shall inform the State Tax Assessor of the amount available in the fund for the~~
14 ~~purposes of subsection 1.~~

15 ~~A. By November 1st annually, the State Tax Assessor shall calculate the amount by~~
16 ~~which the income tax rates under Title 36, section 5111, subsections 1-F, 2-F and 3-F~~
17 ~~may be reduced during the subsequent tax year using the amount available from the~~
18 ~~fund. Bracket rate reductions must be a minimum of 0.2 percentage points in the first~~
19 ~~year in which reductions are made and a minimum of 0.1 percentage points in~~
20 ~~subsequent years. If sufficient funds are not available to pay for the minimum~~
21 ~~reduction, a rate reduction may not be made until the amount in the fund is sufficient~~
22 ~~to pay for the reduction. When the amount is sufficient to pay for the reduction, the~~
23 ~~reduction must first be applied equally to each bracket under Title 36, section 5111,~~
24 ~~subsections 1-F, 2-F and 3-F until the lower bracket reaches 4%. Funds available~~
25 ~~from the fund in subsequent years must be applied to reduce the higher bracket rates~~
26 ~~until there is a single bracket with a rate of 4%, after which future tax relief may be~~
27 ~~identified.~~

28 ~~B. The State Tax Assessor shall provide public notice of new bracket rates calculated~~
29 ~~under this subsection by November 15th annually.~~

30 ~~C. New bracket rates calculated under this subsection apply beginning with tax years~~
31 ~~that begin on or after January 1st of the calendar year following the determinations~~
32 ~~made under this subsection.~~

33 **1-B. Process.** The process for providing relief payments to property tax payers is
34 established pursuant to this subsection.

35 A. As used in this subsection, unless the context otherwise indicates, the following
36 terms have the following meanings.

37 (1) "Homestead" means any residential property, including cooperative property,
38 that receives a homestead property tax exemption.

39 (2) "Homestead property tax exemption" means the exemption established in
40 Title 36, chapter 105, subchapter 4-B.

1 (3) "Property tax payer" means an individual who owns a homestead.
2 (4) "Relief payment" means the funds, as determined pursuant to paragraph C,
3 provided to the owner of a homestead pursuant to paragraph D to offset property
4 tax payments made by that owner.
5 B. By October 1, 2019 and annually thereafter, for each homestead in this State:
6 (1) The assessor for each municipality shall provide the Treasurer of State with
7 the number of homesteads in that assessor's municipality and the name and
8 address of the property tax payer for each homestead; and
9 (2) The State Tax Assessor shall provide the Treasurer of State with the number
10 of homesteads in the unorganized territory and the name and address of the
11 property tax payer for each homestead.
12 C. Using the data provided pursuant to paragraph B, the Treasurer of State shall
13 determine the amount of relief payment each property tax payer is entitled to by
14 dividing the amount of the funds available in the fund by the total number of
15 homesteads in the State.
16 D. In any year in which the amount of the relief payment for each homestead is at
17 least \$100, as determined pursuant to paragraph C, the Treasurer of State shall mail
18 by December 1st of that year a check in the amount of the relief payment to each
19 property tax payer at the address of the homestead provided to the Treasurer of State
20 pursuant to paragraph B. Funds for the relief payments must come from the fund.
21 **2. Nonlapsing fund.** Any unexpended balance in the Property Tax Relief Fund for
22 Maine Residents may not lapse but must be carried forward to be used pursuant to
23 subsection ~~1-A~~ 1-B.
24 ~~**3. Transfer for income tax reduction.** In the fiscal years immediately following~~
25 ~~the calculation of the income tax rate reduction under subsection 1-A, paragraph A, the~~
26 ~~State Tax Assessor shall certify to the State Controller the amount of the reduction in~~
27 ~~General Fund revenue by fiscal year, and the State Controller shall transfer from the fund~~
28 ~~the amount certified for the reduction in revenue attributable to adjustments made under~~
29 ~~subsection 1-A to the General Fund unappropriated surplus.~~
30 **4. Transfer from General Fund revenue growth.** Beginning with fiscal year
31 2013-14 and before any other transfers from the General Fund, the State Controller shall
32 transfer to the fund at the close of each fiscal year 40% of the amount by which General
33 Fund budgeted revenue for that fiscal year exceeds the General Fund appropriation
34 limitation calculated for that fiscal year under section 1534.
35 **5. Report.** Beginning January 2, 2020 and annually thereafter, the Treasurer of State
36 shall report to the joint standing committee of the Legislature having jurisdiction over
37 taxation matters and the joint standing committee of the Legislature having jurisdiction
38 over appropriations and financial affairs the amount of funds in the fund, the amount of
39 the property tax relief payment calculated pursuant to subsection 1-B, paragraph C and
40 the number and amount of property tax relief payments distributed, if any, pursuant to
41 subsection 1-B, paragraph D.

