

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

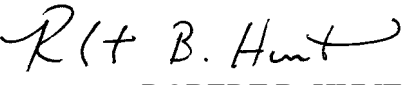
No. 1924

H.P. 1285

House of Representatives, May 6, 2025

An Act to Encourage New Residential Housing Through a Tax Exemption for the Sale or Rental of Such Housing

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative WALKER of Naples.

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶AAA is enacted to read:

AAA. For taxable years beginning on or after January 1, 2026 but before January 1, 2031, to the extent included in federal adjusted gross income and to the extent otherwise subject to Maine income tax, the amount of any gain resulting from the sale of new residential housing in this State intended for occupancy by the purchaser or from the lease of new residential housing in this State intended for occupancy by the lessee. As used in this paragraph, "new residential housing" means a residential unit of which at least half of the square footage has not been occupied in the 12 months prior to the unit's sale or lease and includes, but is not limited to, single-family and multi-unit residential housing, mobile homes and manufactured housing. The deduction allowed by this paragraph may be taken for the taxable year in which the new residential housing is first occupied by the purchaser or lessee and continues until the new residential housing is no longer occupied by the purchaser or the lessee or the taxable year ending December 31, 2031, whichever occurs first.

Sec. 2. 36 MRSA §5200-A, sub-§2, ¶JJ is enacted to read:

JJ. For taxable years beginning on or after January 1, 2026 but before January 1, 2031, to the extent included in federal adjusted gross income and to the extent otherwise subject to Maine income tax, the amount of any gain resulting from the sale of new residential housing in this State intended for occupancy by the purchaser or from the lease of new residential housing in this State intended for occupancy by the lessee. As used in this paragraph, "new residential housing" means a residential unit of which at least half of the square footage has not been occupied in the 12 months prior to the unit's sale or lease and includes, but is not limited to, single family and multi-unit residential housing, mobile homes and manufactured housing. The deduction allowed by this paragraph may be taken for the taxable year in which the new residential housing is first occupied by the purchaser or lessee and continues until the new residential housing is no longer occupied by the purchaser or the lessee or the taxable year ending December 31, 2031, whichever occurs first.

SUMMARY

This bill provides a 5-year moratorium beginning January 1, 2026 and ending December 31, 2031 on the levy of Maine income tax for a resident individual or a corporation that sells or leases new residential housing occupied by the purchaser or that leases new residential housing occupied by the lessee. The bill defines "new residential housing" to mean a residential unit that at least half of the square footage of which has not been occupied in the 12 months prior to its sale or lease and includes single-family and multi-unit residential housing, mobile homes and manufactured housing.