

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 704

H. P. 533

House of Representatives, February 6, 1969

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Gilbert of Turner.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-NINE

AN ACT Relating to Property Tax Credits for Veterans.

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

Sec. 1. R. S., T. 36, § 653, repealed and replaced. Section 653 of Title 36 of the Revised Statutes, as amended, is repealed and the following enacted in place thereof:

§ 653. Polls of veterans and servicemen

The following polls of veterans and servicemen are exempt from taxation:

1. Polls of servicemen. The polls of persons in active service in the Armed Forces of the United States of America.

2. Polls of veterans. The polls of all veterans who served in the Armed Forces of the United States in the Philippine Insurrection or any federally recognized war period prior thereto; or who receive a state pension; or who served in World Wars I, II, the Korean Campaign or the Viet Nam War and are receiving retirement pay or compensation or vocational training from the United States Government on account of disability incurred in or aggravated by service in said wars.

3. Application. Any person who desires to secure exemption under this section shall make written application and file written proof of entitlement on or before the first day of April, in the year in which the exemption is first requested, with the assessors of the place in which the person resides. The assessors shall thereafter grant such exemption to any person while he is so qualified and continues a resident of that place or until they are notified of reason or desire for discontinuance.

Sec. 2. R. S., T. 36, § 657, additional. Title 36 of the Revised Statutes is amended by adding a new section 657, to read as follows:

§ 657. Tax credits for veterans and dependents of veterans

Veterans and dependents of veterans shall be entitled to property tax credits in accordance with the following provisions:

1. Nature of credit. The credit shall apply to taxes assessed against real or personal property owned by the veteran or dependent claiming the credit, having a taxable situs in the place of residence. The credit shall apply to taxes assessed against property held by the veterans in joint tenancy with his or her spouse.

2. Veterans. A veteran to be entitled to the credit provided in this section must have served in the Armed Forces of the United States during a federally recognized war period, including the Korean Campaign and the Viet Nam War, and have reached the age of 62 years or be receiving any form of pension or compensation from the United States Government for total disability, service-connected or nonservice-connected, as a veteran.

3. Dependents of veterans. The dependent of a veteran, to be entitled to the credit provided in this section, must be

A. The unremarried widow or minor child of a veteran who would be entitled to such credit if living, or

B. Must be in receipt of a pension or compensation from the Federal Government as the widow or minor child of a veteran, or

C. Must be the mother of a deceased veteran who is 62 years of age or older and is an unremarried widow who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of her son.

4. Definition of veteran. The word "veteran" as used in this section shall mean any person, male or female, who was in active service in the Armed Forces of the United States during any federally recognized war period or the Korean Campaign or the Viet Nam War; and who, if discharged, retired or separated from the Armed Forces, was discharged, retired or separated under other than dishonorable conditions. A veteran of the Viet Nam War shall have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964 except if he died in service or was discharged for a service-connected disability after such date. The "Viet Nam War" shall mean that period between August 5, 1964 and the date on which hostilities are declared ended by the Congress or proclamation of the President.

5. Eligibility. To be eligible for the credit provided by this section:

A. A veteran must have been a resident of this State at the time of his entry into service; or have been a resident of this State for at least 10 years prior to making the claim for credit; and

B. A survivor of a deceased veteran must have been a resident of this State for at least 10 years prior to making the claim for credit; or must show that the deceased veteran, order whom the survivor claims, would have been eligible for credit as required above; and

C. No credit shall be granted to any person under this section unless such person is a resident of this State.

6. Amount of credit.

A. A veteran or dependent entitled to credit under subsection 2 and 3 shall receive a credit not in excess of \$125 and not in excess of the total amount of tax assessed against real and personal property owned by him, or with his spouse in joint tenancy, having a tax situs in the place of residence.

B. A paraplegic veteran within the meaning of the U. S. Code, Title 38, section 801 who served in the Armed Forces of the United States during any federally recognized war period, and who received a grant from the United States Government for specially adapted housing as a paraplegic veteran shall receive a credit not in excess of \$375 and not in excess of the amount of tax assessed against such specially adapted housing, whether or not owned jointly by the veteran and his or her spouse.

C. No person shall receive exemption under more than one paragraph of this section.

7. Application for credit. Any person who seeks to secure credit under this section shall make written application and file written proof of entitlement on or before the first day of April, in the year in which the credit is first requested, with the assessors of the place in which the person resides. The assessors shall thereafter grant such credit to any person while he is so qualified and continues a resident of that place or until they are notified of reason or desire for discontinuance.

8. False claims. No credit shall be granted in the case of property conveyed to any person for the purpose of obtaining the credit provided by this section, excepting in the case of property conveyed between husband and wife. The obtaining of such credit by means of fraudulent conveyance shall be punished by a fine of not less than \$100 and not more than 2 times the amount of the taxes evaded by such fraudulent conveyance whichever amount is greater.

9. Reimbursement to municipalities. Any municipality granting credits under this section shall have a valid claim against the State to recover 90% of the taxes lost by reason of such credits as exceeds 3% of the total local tax levy, upon proof of the facts in form satisfactory to the Commissioner of Finance and Administration. Such claims shall be presented to the Legislature next convening.

Sec. 3. R. S., T. 36, § 710, amended. Section 710 of Title 36 of the Revised Statutes is amended to read as follows:

§ 710. Overlay

The assessors may assess on the polls and estates such sum above the sum committed to them to assess, not exceeding 5% thereof as a fractional division renders convenient, **plus an amount sufficient to compensate for credits granted under section 657**, and certify that fact to their municipal treasurer.

Sec. 4. Effective date. This Act shall become effective as to claims by veterans on and after April 1, 1970. Where satisfactory proof of entitlement has been filed by any person under Title 36, section 653, subsection 1, paragraph G prior to April 1, 1970, no further proof of entitlement need be filed under this Act while such person remains qualified and continues a resident of the same place. This Act shall not affect the right of municipalities to claim reimbursement under title 36. Section 653, subsection H, for taxes lost by reason of veterans' exemptions granted for the 1969 tax year.