

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 323

H. P. 242

House of Representatives, January 21, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mrs. Baker of Orrington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT to Relieve Certain Permanently Handicapped Persons of a Portion
of the Property Tax or Rental Burdens.**

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

Sec. 1. R. S., T. 36, § 661, additional. Title 36 of the Revised Statutes is amended by adding a new section 661, to read as follows:

§ 661. Permanently disabled persons

1. Purpose. The purpose of this section is to provide some financial relief to the severely permanently disabled individuals of this State through real estate tax relief or payment of subsidy for rental costs.

A. The individual must have a severe permanent disability as defined in subsection 2, paragraph F.

B. The individual must have a taxable income of less than \$5,000 per year, including combined income of a husband and wife.

C. The individual must pay taxes on real estate or pay rent where he resides.

2. Definitions. The following words and phrases as used in this section shall, unless a different meaning is plainly required by the context, have the following meaning:

A. Claimant. "Claimant" means a person filing a claim for tax relief or for a rent subsidy must have resided in the State of Maine for at least one year previous to his request for claim. Should the household consist of a husband and wife, both severely permanently handicapped, only one may make application for claim.

B. Home. "Home" means the dwelling, whether owned or rented and the land surrounding it, not to exceed one acre, or the part of a multi-dwelling as a room or an apartment where the claimant resides the greater part of the year and does not include personal property, appliances or furnishings nor a part-time place of residence as a camp or automobile. A dwelling may be a mobile home.

C. Household. "Household" means a claimant and the members of the family for whom he is the responsible provider.

D. Income. "Income" means the adjusted gross income as defined in the Internal Revenue Code of the United States. It does not include gifts, surplus foods or other relief in kind provided by a government agency nor other exemptions under the Federal Social Security Act.

E. Tax year. "Tax year" means the consecutive months April 1st to March 31st of any taxable year.

F. Statement of disability. "Statement of disability" means the permanent severe disabling loss of sight in both eyes, 5/200; or the loss of both feet above the ankle; or the loss of both hands above the wrist; or the loss of both one hand above the wrist and one foot above the ankle; or an injury to the spine resulting in permanent and total paralysis or loss of function of both arms or both legs or paralysis of one arm and one leg or any other disabling injury or disease which permanently confines the individual to bed or a wheelchair.

3. Proof of disability. The right to file a claim under this section shall be subject to certification by a qualified physician duly licensed and registered to practice in this State. The tax relief of subsidy shall not survive the claimant's death. If claimant dies after filing a timely claim, the amount thereof shall be disbursed by the estate as determined by the State Tax Assessor.

4. Filing date. No claim for tax relief or rent subsidy shall be paid unless the claim has been filed with the Bureau of Taxation on or before the following July 1st of the year for which the tax has been assessed. In case of certain extenuating circumstances, the State Tax Assessor may extend the time for filing the claim but not more than 6 months.

5. Income limitation. No tax relief or rent subsidy shall be provided or allowed under this section if the adjusted gross income of the claimant or claimant and spouse is greater than \$5,000 for the year for which the claim was filed.

6. Age limitation. The claimant must be of legal adult age as defined by state law.

7. Limits of tax relief or rent subsidy. The following table shall determine the amount of relief paid to claimant. Should the tax relief be a larger amount than the actual property tax assessed or real estate or a larger amount than the yearly rent paid then only those amounts will be paid by the subsidy.

| Adjusted gross income of claimant or claimant and spouse | Amount of tax relief or rental subsidy |
|--|--|
| \$4,000 to \$4,999 | \$100 |
| 3,000 to 3,999 | 200 |
| 2,000 to 2,999 | 300 |
| 1,000 to 1,999 | 400 |
| 0 to 999 | 500 |

8. **Proof of claim.** Each claimant under this section shall provide proof of taxes accrued or rent paid to the Bureau of Taxation to support the claim. Such claims shall be paid by the Treasurer of State on or before September 15th annually.

9. **Administration.** The State Tax Assessor shall provide a suitable form and instructions for filing the tax relief or rental subsidy claim which will be sent to the claimant upon request.

10. **Denial of claim.** If it is determined that a claim in whole or in part is excessive or was filed with fraudulent intent, the claim shall be disallowed.

11. **Appeals.** Any person denied a claim in whole or in part may appeal to the Administrative Hearing Commissioner by filing a petition within 30 days of the denial.

Sec. 2. Appropriation. There is appropriated from the General Fund the sum of \$75,000 for the fiscal year ending June 30, 1973, to carry out the purposes of this Act.

STATEMENT OF FACT

Over the past 14 years, 490 bills have been referred to the Federal Congress seeking tax relief for the physically handicapped. As of this time, none have been enacted. It is a fact that individuals suffering severe permanent disability find it difficult to cope with the high cost of living and the additional living expenses which the able-bodied do not share with them. For example, they have more frequent medical and paramedical expenses than an able-bodied person, yet on the average their incomes are much less. It was found in a recent study made in Pittsburg, that the average income of orthopedically handicapped persons was \$3,400 per year with about half of this amount being outlaid for transportation to work. Should these individuals not seek employment and try to live on Social Security or another pension, their income would be even less and the government would be paying out 3 times as much for their support which would then be reflected in the pocket-book of every taxpayer. The passage of this bill would lessen the burdens of the severely handicapped and make life a little better for them.