

# MAINE STATE LEGISLATURE

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New Draft of: H. P. 920, L. D. 1272

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ONE HUNDRED AND FIFTH LEGISLATURE

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**Legislative Document**

**No. 1817**

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H. P. 1400 House of Representatives, June 9, 1971  
Reported by a Majority of the Committee on Taxation and printed under  
Joint Rules No. 18.

BERTHA W. JOHNSON, Clerk

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT to Relieve Certain Elderly Householders from the Extraordinary  
Impact of Property Taxes.**

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

**Sec. 1. R. S., T. 36, Part 9, additional.** Title 36 of the Revised Statutes  
is amended by adding a new Part 9 to read as follows:

**PART 9**

**CHAPTER 901**

**THE ELDERLY HOUSEHOLDERS TAX RELIEF ACT**

§ 6101. Short title

This Part may be cited as the "Elderly Householders Tax Relief Act."

§ 6102. Purpose

The purpose of this Part is to provide relief, through a system of grants,  
to certain elderly persons who own or rent their homestead.

§ 6103. Definitions

As used in this Part:

1. **Claimant.** "Claimant" means a person who has filed a claim under this  
Part and was domiciled in this State and owned or rented a homestead in  
this State during the entire calendar year preceding the year in which he  
files claim for relief under this Part. When 2 individuals of a household are

able to meet the qualifications for a claimant, they may determine between them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the State Tax Assessor and his decision shall be final. If a homestead is occupied by 2 or more individuals, and more than one individual is able to qualify as a claimant the individuals may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the State Tax Assessor and his decision shall be final.

2. Homestead. "Homestead" means the dwelling, owned or rented by the claimant, and occupied by the claimant and his dependents as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. "Owned" includes a vendee in possession under a land contract and of one or more joint tenants or tenants in common. A mobile home may be a homestead.

3. Household. "Household" means a claimant and spouse and members of the household for whom the claimant under this Part is entitled to claim an exemption as a dependent under Part 8 for the year for which relief is requested.

4. Household income. "Household income" means all income received by all persons of a household in a calendar year while members of the household.

5. Income. "Income" means the sum of Maine adjusted gross income determined in accordance with Part 8, the amount of capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, the gross amount of any pension or annuity including railroad retirement benefits, all payments received under the Federal Social Security Act, state unemployment insurance laws, and veterans disability pensions, nontaxable interest received from the Federal Government or any of its instrumentalities, workmen's compensation and the gross amount of "loss of time" insurance, cash public assistance and relief, but not including relief granted under this Part. It does not include gifts from nongovernmental sources or surplus foods or other relief in kind supplied by a governmental agency.

6. Year for which relief is requested. "Year for which relief is requested" means the calendar year preceding that in which the claim is filed.

#### § 6104. Claim is personal

The right to file claim under this Part shall be personal to the claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his legal guardian or attorney-in-fact. If a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the State Tax Assessor.

If the claimant was the only member of his household, the claim may be paid to his executor or administrator, but if neither is appointed and qualified within 2 years of the filing of the claim, the amount of the claim shall escheat to the State.

#### § 6105. Claim to be paid from General Fund

The amount of the claim after certification by the State Tax Assessor shall be paid to claimant from the General Fund. No interest shall be allowed on any payment made to a claimant pursuant to this Part.

§ 6106. Filing date

No claim shall be paid unless the claim is filed with the Bureau of Taxation on or after August 1 and on or before the following October 15.

§ 6107. One claim per household

Only one claimant per household or homestead per year shall be entitled to relief under this Part.

§ 6108. Income limitation

No relief otherwise available shall be granted to claimants with household income in excess of \$4,000 in the year for which relief is requested.

§ 6109. Age limitation

No claim shall be granted which is otherwise allowable under this Part unless at least one male member of the household shall have attained the age of 65 or one female member the age of 62 during the year for which relief is requested and no less than 35% of the household income is attributable to such members of the household.

§ 6110. Amount of claim

1. The amount to which the claimant shall be entitled is 7% of the difference between the household income of the claimant for the year for which relief is requested and \$4,000; but no claim of less than \$5 shall be paid.

2. The allowable claim shall be computed by the Bureau of Taxation, which shall notify the claimant by mail of the amount of his allowable claim.

§ 6111. Administration

The State Tax Assessor shall make available suitable forms with instructions for claimants. The claim shall be in such form as the State Tax Assessor may prescribe and shall be signed by the claimant under the pains and penalties of perjury.

§ 6112. Audit of claim

If on the audit of any claim filed under this Part the State Tax Assessor determines the amount to have been incorrectly determined, he shall redetermine the claim and notify the claimant of the redetermination and his reasons for it. The redetermination shall be final unless appealed to the State Tax Assessor within 30 days of notice.

§ 6113. Denial of claim

If it is determined that a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid the amount paid may be recovered by assessment, and the assessment shall

bear interest from the date of payment or credit of the claim, until refunded or paid, at the rate of 1% per month. The claimant in such case, and any person who assisted in the preparation or filing of such excessive claim or supplied information upon which such excessive claim was prepared, with fraudulent intent, is guilty of a misdemeanor. If it is determined that a claim is excessive and was negligently prepared, 10% of the corrected claim shall be disallowed, and if the claim has been paid the proper portion of any amount paid shall be similarly recovered by assessment, and the assessment shall bear interest at 1% per month from the date of payment until refunded.

#### § 6114. Appeals

Any person aggrieved by the denial in whole or in part of relief claimed under this Part, except when denial is based upon late filing of claim for relief may appeal the denial to the Administrative Hearing Commissioner by filing a petition within 30 days after such denial.

#### § 6115. Disallowance of certain claims

A claim shall be disallowed, if the State Tax Assessor finds that the claimant received title to his homestead primarily for the purpose of receiving benefits under this Part.

#### § 6116. Extension of time for filing claims

In case of sickness, absence or other disability, or if, in his judgment, good cause exists, the State Tax Assessor may extend, for a period not to exceed 6 months, the time for filing a claim.

Sec. 2. R. S., T. 36, §§ 657 to 659, repealed. Sections 657 to 659 of Title 36 of the Revised Statutes, as enacted by chapter 444 of the public laws of 1969, are repealed.

Sec. 3. Initial filing of claims. No claim shall be filed under this Act prior to August 1, 1972.

### STATEMENT OF FACT

This Act would provide grants directly from the State to elderly persons with household incomes not in excess of \$4,000, when such persons own their homes or rent their homes, the amount of the grant being 7% of the difference between the amount of household income and \$4,000. The first grants would be paid in the fall of 1972.