

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2287

H. P. 1807

House of Representatives, January 3, 1974

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

E. LOUISE LINCOLN, Clerk

Presented by Mrs. Goodwin of Bath.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT Amending the Elderly Householders Tax and Rent Refund Act.

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

Sec. 1. R. S., T. 36, § 6109, repealed. Section 6109 of Title 36 of the Revised Statutes, as enacted by section 1 of chapter 503 of the public laws of 1971 and as amended by section 4 of chapter 634 of the public laws of 1973, is repealed.

Sec. 2. R. S., T. 36, §§ 6110 - 6112, repealed and replaced. Sections 6110 to 6112 of Title 36 of the Revised Statutes, as enacted by section 1 of chapter 503 of the public laws of 1971 and as repealed and replaced by sections 5, 6 and 7 of chapter 634 of the public laws of 1973, are repealed and the following enacted in place thereof:

§ 6110. Benefit limitation

No claim of less than \$5 or more than \$400 shall be granted.

§ 6111. Age limitation

No claim shall be granted which is otherwise allowable under this Part, unless at least one member of the household shall have attained the age of 62 during the year for which relief is requested.

§ 6112. Amount of claim

The claim shall be limited to the amount by which property taxes accrued, or rent constituting property taxes accrued in such tax year on the claimant's

homestead, is in excess of 5% of such household income which exceeds \$2,000 but does not exceed \$3,000, 16% of such household income which exceeds \$3,000 but does not exceed \$4,000, and 21% of such household income which exceeds \$4,000.

Sec. 3. Appropriation. There is appropriated from the General Fund to the Bureau of Taxation the sum of \$450,000 to carry out the purposes of this Act. The breakdown shall be as follows:

1974-75

BUREAU OF TAXATION

Tax Relief for the Elderly
All Other

\$450,000

STATEMENT OF FACT

The purpose of this bill would eliminate the present asset limitation and the requirement that at least 35% of household income be derived from an elderly householder. These provisions (section 2) are relatively ineffective at present, and do create unnecessary complexities in application forms. The cost of these changes would not exceed \$50,000.

This bill would also eliminate trivial refunds of less than \$5. This provision was in effect in 1972 but was inadvertently dropped in amendments made to the law at the regular 1973 session.

Most important, the bill would require no contribution toward taxes or rent, except for the overall \$400 grant limit, insofar as the first \$2,000 of household income is concerned. This accounts for the major portion of the cost of the bill, namely \$400,000.

Funds to implement this bill are included in the Governor's budget.