

MAINE STATE LEGISLATURE

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(New Title)
New Draft of: H. P. 1958, L. D. 2501
FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2584

H. P. 2050 House of Representatives, March 15, 1974
Reported by Majority from the Committee on Taxation and printed under
Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT Amending the Elderly Householders Tax and Rent Refund Act to
Improve Benefits.**

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 R. S., T. 36, § 6109, repealed.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1 of chapter 503 of the public laws of 1971 and as amended by section 4 of chapter 634 of the public laws of 1973, is repealed.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 R. S., T. 36, §§ 6110-6112, repealed and replaced. Sections 6110 and 6111, as enacted by section 1 of chapter 503 of the public laws of 1971 and as repealed and replaced by section 5 of chapter 634 of the public laws of 1973, section 6111-A as enacted by section 132-A of chapter 622 of the public laws of 1971, and section 6112 as enacted by section 1 of chapter 503 of the public laws of 1971 and as repealed and replaced by section 7 of chapter 634 of the public laws of 1973, of Title 36 of the Revised Statutes, are repealed and the following enacted in place thereof: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.

§ 6111-A. Participation limited

No claim shall be granted which is otherwise allowable under this Part to any claimant who receives, or to any claimant a member of whose household receives, or to any claimant who is eligible to receive, or to any claimant a member of whose household is eligible to receive, benefits paid under the supplemental security income program pursuant to the United States Social Security Act of 1935, as amended.

The State Tax Assessor in carrying out this section shall require that any claimant who may be eligible for, or any claimant a member of whose household may be eligible for, supplemental security income benefits shall apply for such benefits prior to filing a claim pursuant to this Part. A claim shall be granted to such a claimant only if he has been denied supplemental security income benefits based on an application for such benefits made on or after August 1st of the year preceding the year in which a claim is filed pursuant to this Part.

§ 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 21% of such household income which exceeds \$3,000 but does not exceed \$5,000.

Sec. 3. Appropriation. There is appropriated from the General Fund to the Bureau of Taxation the sum of \$500,000 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

\$500,000

STATEMENT OF FACT

The formula for determining the amount of refund granted a claimant under the Elderly Householders Tax and Rent Refund Act was revised during the regular session of the 106th Legislature. The new formula substantially reduced the refunds and increased the tax burden of thousands of older people in 1973.

Some elderly citizens, who in 1972 received up to \$105, in 1973 did not qualify for a refund. Some older people, who in 1972 received up to \$140, in 1973 received only \$80.

The bill would require no contribution toward taxes or rent, except for the overall \$400 grant limit, insofar as the first \$3,000 of household income is concerned. This accounts for the major portion of the cost of the bill.

The new draft limits participation of persons receiving benefits under the federal supplemental security income program.

The new draft would also 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.

The new draft 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.