

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1290

S. P. 406

In Senate, March 25, 1975

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Reeves of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Provide a Maine Homestead Property Tax Credit.

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

36 MRSA c. 115 is enacted to read:

CHAPTER 115

HOMESTEAD PROPERTY TAX CREDIT

§ 1601. Title

This chapter shall be known and may be cited as the "Maine Homestead Property Tax Credit Law."

§ 1602. Purpose

The purpose of this chapter is to alleviate the burden of property taxation on Maine homeowners owning modest homesteads and thereby to increase the opportunity for home ownership for Maine citizens.

§ 1603. Definitions

As used in this chapter, the following terms shall have the following meanings unless the context dictates otherwise.

1. **Assessor.** "Assessor" means the municipal assessor or in the case of a primary assessing area the chief assessor, or in the unorganized territory, the State Director of Property Taxation.

2. **Claimant.** "Claimant" means a homeowner who has filed a claim under this chapter for a homestead property tax credit.

3. Dwelling. "Dwelling" means a structure used as a residence including a mobile home or house trailer.

4. Eligible. "Eligible" means that the claimant is a homeowner entitled to a homestead property tax credit for the tax assessed based on the status of property on April 1st of the same year.

5. Homeowner. "Homeowner" means an individual who has been a resident of this State for at least 9 consecutive months prior to the filing of a claim for a homestead property tax credit, and who continues to be a resident of this State and owns the homestead property on April 1st of the year in which the tax is assessed.

6. Homestead property. "Homestead property" means a dwelling owned and used as the homeowner's principal place of abode and the parcel of land upon which the dwelling is affixed or located together with all privileges and appurtenances belonging to the premises when such parcel is owned by the homeowner.

7. Owned. "Owned" means title in fee, joint tenancy, tenancy in common, life tenancy or a vendee in possession of homestead property under a contract.

§ 1604. Allowance for credit

A claimant shall be allowed a homestead property tax credit to be deducted from the property tax assessed on the homestead property each year provided the claimant continues to be eligible.

§ 1605. Filing

A claimant must file a claim form for the credit to be signed by the claimant under pains and penalties of perjury on or before January 1st of the year in which the homestead property tax credit is first to be allowed. The claim form must be filed with the assessor having jurisdiction. There is no further requirement for filing a claim form in subsequent years if the claimant continues to be eligible for homestead property tax credit on the same homestead property.

A claimant who has obtained a homestead property tax credit must notify the assessor having jurisdiction when he is no longer eligible. Only one claim may be filed with respect to each homestead property.

§ 1606. Amount of credit

The annual tax credit on the homestead property shall be \$100 or the amount of the tax assessed for that year against the property, whichever is less.

§ 1607. Administration

1. State Director of Property Taxation. The State Director of Property Taxation shall prepare and make available to assessors claim forms with instructions for claimants.

2. **Claim forms.** Claim forms shall be made readily available by assessors to all homestead property owners within their jurisdiction.

3. **Assessor to provide cost of credits to municipality.** In each municipality, the assessor shall provide the approximate cost to the municipality of the homestead property tax credits for the municipality for inclusion in the budget in a particular year.

4. **Municipal budget.** The municipal officers shall include in their budget the estimate of the cost of the homestead property tax credit and the municipality shall appropriate a sum equal to that estimate.

5. **Approval of claims for homestead tax credit.** The assessor shall be responsible for the approval of claims for homestead property tax credits and will furnish the municipal tax collector with a list of approved credits.

§ 1608. Disallowance of credit

If it is determined that a claim for a homestead property tax credit is in error, it shall be disallowed and if the credit has been allowed prior to such determination the amount allowed may be recovered by suit after written demand is made.

§ 1609. Initial credits allowable

The initial homestead property tax credits to be allowed by this chapter shall be effective as to taxes assessed on April 1, 1976.

FISCAL NOTE

This statute will reduce the funds needed to implement the Elderly Homeholders Tax and Refund Act, Title 36, chapter 901, by about \$1,000,000.

STATEMENT OF FACT

The homestead property tax credit will provide a \$100 tax credit to the homeowners in Maine. It is designed to benefit those who own, or desire to own, a modest homestead and to shift some of the burden of property taxation to out-of-state residents.

A homestead property tax credit is a locally controlled and administered tax reform that attacks part of the regressive aspects of property taxation.