

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1534

H. P. 1218

House of Representatives, March 26, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Bustin of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Improving Benefits under the Elderly Householders Tax and Rent Refund Act.

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

Sec. 1. 36 MRSA § 6110, as last repealed and replaced by PL 1973, c. 771, § 2, is repealed and the following enacted in place thereof:

§ 6110. Benefit limitation

No claim of less than \$5 or more than \$500 shall be granted.

Sec. 2. 36 MRSA § 6112, as last repealed and replaced by PL 1973, c. 771, § 2, is repealed and the following enacted in place thereof:

§ 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 16% 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 Department of Finance and Administration the sum of \$279,625 to carry out the purposes of this Act. The breakdown shall be as follows:

1975-76

FINANCE AND ADMINISTRATION, DEPARTMENT OF

Tax Relief for the Elderly
All Other

\$279,625

STATEMENT OF FACT

One purpose of this Act is to raise the maximum benefit from \$400 to \$500 per year. In 1974, approximately 1,600 households would have been eligible to receive a higher refund if the benefit limit had been \$500.

Another purpose of this Act is to increase the benefits of lower and middle income households with income of \$3,000 to \$5,000 per year. Current law allows such households only a partial refund, after the householder has borne a share of the taxes. In 1974, 4,911 such households received refunds equaling a substantially smaller percentage of taxes or rent than the benefits paid to other households. Yet, inflation has decreased the real income of elderly people.