

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
107TH LEGISLATURE

5.
2 OF R.

COMMITTEE AMENDMENT "A" to S.P. 481, L.D. 1671, Bill,
"AN ACT to Provide State Relief to Householders for Extraordinary
Property Tax Burdens."

Amend said Bill by striking out all of the Title and
inserting in place thereof the following: 'AN ACT to Provide
State Relief to Householders Whose Property Taxes are an
Extreme Burden Due to Such Householders' Insufficient Yearly
Income."

Further amend said Bill in section 1 in the 5th line
(same in L.D.) by striking out the words "EXTRAORDINARY PROPERTY
TAX RELIEF" and inserting in place thereof the words
'RELIEF FOR EXTREMELY BURDENSOME PROPERTY TAXES'

Further amend said Bill in section 1 in that part
in subsection 2
designated "§6173."/in the 7th line (6th line in L.D.) by
striking out the underlined words "the levy date" and inserting
in place thereof the underlined words 'April 1st of the year
for which relief is requested'

Further amend said Bill in section 1 in that part
designated "§6173." in subsection 3 in the first line (same in
L.D.) by striking out the underlined words "the dwelling" and
inserting in place thereof the following: 'a claimant's
principal dwelling, situated within the State of Maine'

Further amend said Bill in section 1 in that part
designated "§6173." by striking out all of subsection 7 and
inserting in place thereof the following:

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* 7. Property taxes accrued. "Property taxes accrued"

means property taxes exclusive of special assessment, delinquent interest and charges for service levied on a claimant's homestead in this State as of April 1, 1976 or any tax year thereafter. If a homestead is owned by 2 or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead which reflects the ownership percentage of the claimant and his household. If a claimant and spouse own their homestead part of the preceding tax year and rent it or a different homestead for part of the same tax year, "property taxes accrued" means only taxes levied on the homestead when both owned and occupied by the claimant on April 1st, multiplied by the percentage of 12 months that such property was owned and occupied by the household as its homestead during the preceding tax year. When a household owns and occupies 2 or more different homesteads in this State in the same tax year, "property taxes accrued" shall relate only to that property occupied by the household as a homestead on April 1st. If a homestead is an integral part of a larger unit such as a farm, or a multi-purpose or multi-dwelling building, "property taxes accrued" shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this chapter, "unit" refers to the parcel of property separately assessed of which the homestead is a part.

D O E R

Further amend said Bill in section 1 in that part designated "§6173" by striking out all of subsection 8 and inserting in place thereof the following:

' 8. Rent constituting property taxes accrued. Rent constituting "property taxes accrued" consists of a fixed percentage of gross rent actually paid in cash or its equivalent in any tax year by a claimant and his household solely for the right of occupancy of their Maine homestead in the tax year, and which rent constitutes the basis, in the succeeding calendar year, of a claim for relief under this subchapter by the claimant. /the fixed percentages are as follows:

- A. If the claimant applies for the low income elderly entitlement, 20% of the gross rent; or
- B. If the claimant applies for the elderly entitlement, 25% of the gross rent.'

Further amend said Bill in section 1 by striking out all of that part /designated "§6179." and inserting in place thereof the following:

'§6179. Computation of refund

The amount of any claim made pursuant to this chapter shall be determined as follows.

L.D. R.

1. Entitlement for low income elderly. For a claimant who has attained the age of 62 during the year for which relief is requested and whose income does not exceed \$4,500 if a single member household or \$5,000 if a household with 2 or more members, ----->

the claim shall be limited to the amount by which property taxes accrued or rent constituting property taxes accrued in such tax year upon the claimant's homestead is in excess of 21% of such household income which exceeds \$3,000, but does not exceed \$5,000.

2. Entitlement for all others. For any taxable year, a claimant shall be entitled to a refund equal to 60% of the amount by which the property taxes, or rent constituting property taxes, upon the individual's homestead for the taxable year exceeds a percentage of the individual's income for the taxable year determined according the the following schedule:

If Household Income (Rounded to the Nearest Income) is:	Then the Taxpayer is Entitled to Credit for Property Tax Paid in Excess of this Percent of that Income
\$ 3,999	4.0%
4,000- 7,999	4.5
8,000-11,999	5.0
12,000-15,999	5.5
16,000-and up	6.0

3. Limitation. No refund or grant under this chapter shall exceed \$500. In no event shall the refund exceed the amount of the property tax.

4. Claimant's recording of claim not required. The claimant, at his election, shall not be required to record on his claim the amount claimed by him. The claim allowable to persons making this election shall be computed by the department, which shall notify the claimant by mail of the amount of his allowable claim.

5. An individual may not be a claimant if he is under 18 years of age or a full-time student claimed as a dependent by any taxpayer under the Federal Internal Revenue Code.'

Further amend said Bill in section 1 by striking out all of that part designated "§6180." and inserting in place thereof the following:

'§6180. 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 pain and penalty of perjury.'

Further amend said Bill in section 1 by striking out all of that part designated "§6189." and inserting in place thereof the following:

'§6189. Initial filing of claims

No claim shall be filed under this chapter prior to August 1, 1977.'

Further amend said Bill in section 1 by inserting at the end the following:

'§6190. Rules and regulations

The State Tax Assessor may establish those rules and regulations necessary for the effective administration of this chapter.'

Further amend said Bill by striking out the first 3 paragraphs of the referendum and inserting in place thereof the following:

'Referendum; effective date. This Act shall take effect 90 days after the adjournment of the Legislature only for the purpose of presenting it to the legal voters of the State of Maine at the next general or ^{special} state-wide election following the passage of this Act.

The aldermen of the cities, the selectmen of the towns and the assessors of the several plantations of this State are empowered and directed to notify the inhabitants of their respective cities, towns and plantations to meet in the manner prescribed by law for calling and holding biennial meetings of said inhabitants for the election of Senators and Representatives at the next general or special state-wide election following the passage of this Act, to give in their votes upon the acceptance or rejection of the foregoing Act, and the question shall be:

"Shall, 'AN ACT to Provide State Relief to Householders Whose Property Taxes are an Extreme Burden Due to Such Householders Insufficient Yearly Income' become law?"'

Further amend said Bill by striking out all of the Fiscal Note and inserting in place thereof the following:

'Fiscal Note

This Act will require no appropriations in this biennium.

In very approximate figures, based on 1975 prices, it is estimated that the cost of refunds other than those already provided for in the current Elderly Householders Tax and Rent Refund Act would be between \$14,200,000 and \$16,200,000. The cost of administration would be about \$200,000 or greater.'

Statement of Fact

The purposes of this amendment are to clarify its language, to insure that full-time students claimed as dependents will not be eligible for the property tax "circuit breaker" and, most importantly, to insure that the elderly will receive under this Act the same high benefits they currently enjoy under the Elderly Householders Tax and Rent Refund Act.

Reported by the Committee on Taxation.

Reproduced and distributed pursuant to Senate Rule 11-A.
June 16, 1975 (Filing No. S-321)