

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1921

S. P. 554

In Senate, June 5, 1975

Reported by Minority from the Committee on Taxation and printed under
Joint Rules No. 18.

HARRY N. STARBRANCH, Secretary

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 permit municipalities 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 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

An eligible claimant shall be allowed a homestead property tax credit to be deducted from the property tax assessed on the homestead property each year the municipality provides for a homestead property tax credit program.

§ 1605. Filing

A claimant must file a claim form annually for the credit, to be signed by the claimant under pains and penalties of perjury, on or before April 1st of the year in which the homestead property tax credit is to be allowed. 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 governed by the funds raised by the municipality for the program, with a fixed limit of credit of no more than \$100 as determined annually by the municipality's legislative body.

§ 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 in the event that the municipality's legislative body enacts a homestead property tax credit.

3. Municipal budget. Any municipality may include an account in their municipal budget for a homestead property tax credit program.

4. Tax collector. The tax collector is responsible for the computation of each individual tax credit and the appropriate adjustment of the property tax due.

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 eligible claimants.

§ 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 assessment on which any municipality may elect to extend a homestead property tax credit is the assessment made relative to the status of property on April 1, 1976.

STATEMENT OF FACT

The homestead property tax credit is a local option program which provides for a locally administered tax reform that attacks part of the regressive nature of property taxation.

It is designed to allow selective relief to owners of modest homesteads.