

# MAINE STATE LEGISLATURE

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(Filing No. H-595)

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 386, L.D. 1331, Bill, "AN ACT to Provide Relief From Extremely Burdensome Property Taxes."

Amend the Bill in section 2 in that part designated "§6172." by striking out in the last line the underlined figure "\$10,000,000" and inserting in its place the underlined figure '\$2,100,000'

Further amend the Bill in section 2 in that part designated "§6179." by striking out all of subsection 1 and inserting in its place the following:

'1. Entitlement for low income elderly. For a claimant who:

A. Has attained the age of 62 during the year for which relief is requested; or

B. Is a widow or widower who has not remarried, who has attained the age of 55 during the year for which relief is requested, and who, due to a disability, is receiving federal disability payments

and whose income as determined by section 6173, subsection 6, 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, in such tax year upon the claimant's homestead is in excess of 6% of such income which exceeds \$3,000, but does not exceed \$5,000.'

Further amend the Bill in section 2 in that part designated "\$6179." by striking out all of the last 5 lines of subsection 2 and inserting in their place the following:

'\$ 0 - 3,999 4.0%'

Further amend the Bill in section 2 in that part designated "\$6179." by striking out in the 2nd line of subsection 3 (first line in L.D.) the underlined figure "\$500" and inserting in its place the underlined figure '\$400'

Further amend the Bill by inserting after section 2 the following:

'Sec. 3. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the following funds: \$1,000,000 for the increased property tax relief benefits to the elderly and \$2,100,000 for the benefits of the general property tax circuit breaker and its cost of administration. The breakdown shall be as follows:

		<u>1978-79</u>
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Bureau of Taxation		
Personal Services	(3)	\$ 50,000
All Other		<u>3,050,000</u>
Total		\$3,100,000'

Further amend the Bill by striking out all of section 3 and inserting in its place the following:

'Sec. 4. Effective date. Sections 1, 2 and 3 shall become effective January 1, 1978, except that Title 36, section 6181 shall become effective 90 days after the Legislature adjourns.'

Statement of Fact

The purposes of this amendment are:

1. To change the purpose clause to reflect the \$7,900,000 decreased costs of the nonelderly portion of the circuit breaker;
2. To add to the bill the decision the Committee on Taxation reached regarding increased property tax relief benefits to the elderly. This decision was to increase possible benefits by approximately \$.9 million to \$1,000,000 to make eligible under the elderly tax relief formula disabled widows and widowers of 55 or older;
3. To restrict general property tax relief to persons earning no more than \$3,999 income. This reduces the cost of the program by approximately 79%. The estimate was arrived at by analyzing the costs of the similar Vermont general property tax circuit breaker;
4. To reduce the maximum amount of tax rebate allowed from \$500 to \$400 so as to reflect the current elderly tax relief limit; otherwise, the Bureau of Taxation estimates <sup>that a \$500 limit</sup> would add \$130,000 extra costs to the elderly relief program; and

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5. To add an appropriation reflecting the above changes.

Filed by Mr. Carey of Waterville.

Reproduced and distributed under the direction of the Clerk of  
the House.

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