

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

**Legislative Document**

**No. 1471**

S. P. 474

In Senate, march 28, 1979

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

Presented by Senator Shute of Waldo.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Provide a Maine Homestead Property Tax Credit.**

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

Sec. 1. 36 MRSA c. 117 is enacted to read:

**CHAPTER 117**

**HOMESTEAD PROPERTY TAX CREDIT**

§ 1611. Title

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

§ 1612. 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.

§ 1613. Definitions

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

1. Assessor. "Assessor" means the board of assessors, single assessor or in the case of a primary assessing area the chief assessor, or in the unorganized territory, the State Tax Assessor.

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 the 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.

#### § 1614. Allowance for credit

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

#### § 1615. Filing

A claimant must file a claim form annually for the credit, to be signed by the claimant under pain 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.

#### § 1616. Amount of credit

The annual tax credit on the homestead property shall be \$40.

#### § 1617. Administration

1. **State Tax Assessor.** The State Tax Assessor 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.

3. **Approval of claims for homestead tax credit.** The assessor shall be responsible for the approval of claims for homestead property tax credits.

#### § 1618. 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 the determination, the amount allowed may be recovered by suit after written demand is made.

**§ 1619. Initial credits allowable**

The initial assessment on which municipalities shall extend homestead property tax credits is the assessment made relative to the status of property on April 1, 1980.

**§ 1620. Unorganized territory**

The State Tax Assessor shall administer this tax credit for all homesteads in the unorganized territory.

**§ 1621. State reimbursement**

Any municipality or the unorganized territory shall have a valid claim against the state to recover the taxes lost by reason of such credits. The amount of reimbursement for each taxing jurisdiction is determined by taking ½ the total amount of tax credits provided by this chapter.

Annual reimbursements shall be made on or about December 15th to municipalities which have presented proof of the facts in a form satisfactory to the State Tax Assessor on or before the prior November 1st. In regard to the unorganized territory, the reimbursement shall be made to the Unorganized Territory Education and Services Fund. All payments shall be made from the General Fund.

**Sec. 2. Appropriation.** The following funds shall be appropriated from the General Fund to carry out the purposes of this Act:

1980-81

FINANCE AND ADMINISTRATION,

DEPARTMENT OF

Bureau of Taxation

All Other

\$10,000,000

STATEMENT OF FACT

The purpose of this bill is to provide a \$40 credit on the property taxes of each Maine homeowner. This credit will help to alleviate the burden of property taxation on Maine homeowners owning modest homesteads and thus help to increase the opportunity for home ownership for Maine citizens.

It is estimated that each \$10 of tax credit provided will annually require \$2,500,000 for full reimbursement from the State to carry out this program.