

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-499)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1343, L.D. 1585, Bill,
"AN ACT to Provide Property Tax Relief through a Homestead
Exemption Tax Credit."

Amend the Bill in section 1 by striking out all of
that part designated "§6161." and inserting in its place
the following:

'§6161. Purpose

The purpose of this chapter is to provide persons owning
or renting Maine homesteads an annual credit to alleviate the burden
of property taxation.'

Further amend the Bill in section 1 by striking out all
of paragraph B of subsection 1 of that part designated
"§6162." and inserting in its place the following:

'B. Owned or rented, for his own use, a homestead in this
State for the entire year.'

Further amend the Bill in section 1 by striking out all of
subsection 2 of that part designated "§6162." and by renumbering
subsections 3 and 4 to be subsections 2 and 3.

Further amend the Bill in section 1 by inserting at the
end of that part designated "§6162." the following:

'4. Rent. "Rent" means to enter into an arms-length agree-
ment under which an identified payment is made for the privilege
of exercising for a period of time an exclusive right to
possession of real property.'

Further amend the Bill in section 1 by striking out all of
that part designated "§6163." and inserting in its place the
following:

'§6163. Credit

Subject to the limitations provided in this chapter, an eligible claimant shall receive a credit of \$70 if he owned his homestead or \$35 if he rented his homestead on April 1st of that year.'

Further amend the Bill in section 1 in that part designated "§6164." by striking out all of the 3rd underlined sentence of subsection 1 and inserting in its place the following:

'No credit shall be allowed unless the claim is filed with and received by the State Tax Assessor not later than April 15th immediately following the year for which a credit is requested or, in the case of claims made on a Maine individual income tax return, by the due date, as extended by the State Tax Assessor, of that return for the year for which the credit is requested.'

Further amend the Bill in section 1 by inserting at the end of that part designated "§6164." the following:

'7. Maximum credit for owners. The credit awarded by section 6163 to an eligible claimant who owned his homestead on April 1st of any taxable year shall not exceed the amount of property tax assessed for that taxable year upon that homestead and the parcel of land, not to exceed one acre, owned by the eligible claimant and upon which the homestead is located.'

Further amend the Bill by striking out all of section 2 and inserting in its place the following:

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

	<u>1980-81</u>
FINANCE AND ADMINISTRATION, DEPARTMENT OF	
Bureau of Taxation	
Positions	(1)
Personal Services	\$ 22,000
All Other	22,000,000
Capital Expenditures	<u>2,000</u>
Total	\$22,024,000

The Personal Services amount includes an amount for a seasonal position as well as one permanent position.

Sec. 3. Effective date. The provisions of this Act shall become effective, with regard to tax years, beginning on or after January 1, 1980.'

Fiscal Note

This bill, as amended, will require an appropriation of \$22,024,000 for fiscal year 1980-81.

Statement of Fact

This amendment adds renters to the eligible claimants for homestead credit and sets a dollar amount on the credit:

\$70 for homeowners and \$35 for renters. It prohibits a homeowner from receiving more credit than his property tax assessed for that year. As amended, the program will begin with claims filed on or after January 1, 1981, based on the claimant's status in 1980.

Reported by the Majority of the Committee on Taxation
Reproduced and distributed under the direction of the
Clerk of the House.
5/23/79 (Filing No. H-499)