

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

**Legislative Document**

**No. 1158**

H. P. 967

House of Representatives, March 6, 1981

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

EDWIN H. PERT, Clerk

Presented by Representative Cunningham of New Gloucester.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

**AN ACT to Provide Property Tax Relief for Retired Persons.**

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

36 MRSA § 566 is enacted to read:

**§ 566. Real estate owned by retired persons; limitation on tax increases**

1. Real estate taxes not to be increased. In any tax year beginning on or after January 1, 1982, the tax on real estate which qualifies under subsection 2, may not be increased above the amount assessed during whatever of the following years is later in time:

- A. The tax year in which this section takes effect;
- B. The tax year during which a person becomes eligible under subsection 2; or
- C. The tax year during which the real estate which qualifies under subsection 2 is purchased.

2. Application; eligibility. This section only applies to real estate owned by a person who:

- A. Is 62 years of age or older;
- B. Is receiving retirement payments under the United States Social Security Act or a retirement pension; and the payments or pension represents a majority

of that persons gross income for the year in which that person claims eligibility under this section; and

C. Resides on the real estate which is subject to the tax.

3. Allowable increases in real estate tax. Notwithstanding subsection 1, the taxes assessed on real estate under this section may be increased if, in the tax year preceding the increase, the owner of the real estate received an increase in the amount of retirement or pension benefits or payments set out in subsection 2, paragraph B; provided that the percentage of increase in the real estate tax may not exceed the percentage of increase in retirement benefits or payments received by that person in the preceding tax year.

4. Annual report. In order to qualify under this section, an owner of real estate shall annually report to the municipal officials of the municipality in which the real estate is located, the amount of retirement or pension benefits or payments received by him in the preceding tax year.

#### STATEMENT OF FACT

The purpose of this bill is to limit real estate tax increases on real estate owned by retired persons. This will relieve retired persons living on fixed incomes from the inflationary increases in property taxes. This will help insure that these persons can maintain their individual homes without the threat of loss due to the economic conditions.