

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 192

H.P. 151 House of Representatives, February 3, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative REED of Falmouth.

STATE OF MAINE

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

1 AN ACT to Increase the Veterans' Property Tax
2 Exemption.
3

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

6 36 MRSA §653, as amended by PL 1985, c. 785, Pt.
7 A, §110, is further amended to read:

8 §653. Estates of veterans

9 The following estates of veterans are exempt from
10 taxation:

11 1. Estates of veterans.

12 C. The estates up to the just value of \$4,000
13 \$6,000, having a taxable situs in the place of

1 residence, of veterans who served in the Armed
2 Forces of the United States during any federally
3 recognized war period, including the Korean Cam-
4 paign and the Viet Nam War, when they shall have
5 reached the age of 62 years or when they are re-
6 ceiving any form of pension or compensation from
7 the United States Government for total disabili-
8 ty, service-connected or nonservice-connected, as
9 a veteran. The exemption provided in this para-
10 graph shall apply to the property of such veteran
11 including property held in joint tenancy with his
12 or her spouse.

13 C-1. The estates up to the just value of \$5,000
14 for the 1978 tax year, and \$6,000 for each tax
15 year thereafter, having a taxable situs in the
16 place of residence of veterans who served in the
17 Armed Forces of the United States during any fed-
18 erally recognized war period during or before
19 World War I and who would be eligible for an ex-
20 emption under paragraph C.

21 The exemption provided in this paragraph shall be
22 in lieu of any exemption under paragraph C to
23 which the veteran may be eligible and shall apply
24 to the property of such veteran, including prop-
25 erty held in joint tenancy with his or her
26 spouse.

27 D. The estates up to the just value of ~~\$4,000~~
28 \$6,000, having a taxable situs in the place of
29 residence, of the unremarried widow or minor
30 child of any veteran who would be entitled to
31 such exemption if living, or who is in receipt of
32 a pension or compensation from the Federal Gov-
33 ernment as the widow or minor child of a veteran.

34 The estates up to the just value of ~~\$4,000~~
35 \$6,000, having a taxable situs in the place of
36 residence, of the mother of a deceased veteran
37 who is 62 years of age or older and is an unre-
38 married widow who is in receipt of a pension or
39 compensation from the Federal Government based
40 upon the service-connected death of her son;

41 D-1. The estates up to the just value of
42 \$40,000, having a taxable situs in the place of

1 residence, for specially adapted housing units,
2 of veterans who served in the Armed Forces of the
3 United States during any federally recognized war
4 period and who are paraplegic veterans, so
5 called, within the meaning of the U.S. Code, Ti-
6 tle 38, chapter 21, section 801, and who received
7 a grant from the United States Government for
8 such specially adapted housing, or of the unre-
9 married widows of such veterans. The exemption
10 provided in this paragraph shall apply to the
11 property of such veteran including property held
12 in joint tenancy with his or her spouse.

13 D-2. The estates up to the just value of \$5,000
14 for the 1978 tax year, and \$6,000 for each tax
15 year thereafter, having a taxable situs in the
16 place of residence of the unremarried widow or
17 minor child of any veteran who would be entitled
18 to an exemption under paragraph C-1, if living,
19 or who is in receipt of a pension or compensation
20 from the Federal Government as the widow or minor
21 child of a veteran, and who is the unremarried
22 widow or minor child of a veteran who served dur-
23 ing any federally recognized war period during or
24 before World War I.

25 The exemption provided in this paragraph shall be
26 in lieu of any exemption under paragraph D to
27 which the person may be eligible.

28 D-3. The estates up to the just value of \$5,000
29 for the 1978 tax year, and \$6,000 for each tax
30 year thereafter, having a taxable situs in the
31 place of residence of the mother of a deceased
32 veteran who is 62 years of age or older and is an
33 unremarried widow who is in receipt of a pension
34 or compensation from the Federal Government based
35 upon the service-connected death of her son and
36 who is receiving the pension or compensation from
37 the Federal Government based upon the service-
38 connected death of her son during any federally
39 recognized war period during or before World War
40 I.

41 The exemption provided in this paragraph shall be
42 in lieu of any exemption under paragraph D to
43 which the person may be eligible.

1 E. The word "veteran" as used in this subsection
2 shall mean any person, male or female, who was in
3 active service in the Armed Forces of the United
4 States during any federally recognized war period
5 or the Korean Campaign or the Viet Nam War; and
6 who, if discharged, retired or separated from the
7 Armed Forces, was discharged, retired or sepa-
8 rated under other than dishonorable conditions.
9 A veteran of the Viet Nam War shall have served
10 on active duty for a period of more than 180
11 days, any part of which occurred after August 4,
12 1964 and before May 7, 1975, except that if he
13 died in service or was discharged for a service-
14 connected disability after such date. The "Viet
15 Nam War" shall mean that period between August 5,
16 1964 and May 7, 1975;

17 F. To be eligible for exemption under this sub-
18 section:

19 (3) No exemption may be granted to any per-
20 son under this subsection unless such person
21 is a resident of this State; and

22 (4) Notwithstanding any other provisions of
23 this paragraph, prior to April 1, 1982, any
24 person claiming an exemption under paragraph
25 C who is receiving any form of pension or
26 compensation from the Federal Government for
27 total disability, service-connected or
28 nonservice-connected, as a veteran, and any
29 person claiming an exemption under paragraph
30 C-1, D, D-1, D-2 or D-3 shall not be re-
31 quired to meet the standards specified in
32 subparagraphs (1) and (2). Any such person
33 who received an exemption in 1980 shall not
34 be required to reapply in 1981. Exemptions
35 granted under this section which are reim-
36 bursable pursuant to section 661 shall not
37 be considered eligible for reimbursement un-
38 der paragraph H. Any person whose exemption
39 is reimbursable under section 661 shall, for
40 1981, be entitled to an extension until May
41 1, 1981, for filing a written application
42 and written proof of entitlement for exemp-
43 tion with the assessors of the place in
44 which the person resides, notwithstanding
45 the provisions of paragraph G.

1 G. Any person who desires to secure exemption
2 under this subsection shall make written applica-
3 tion and file written proof of entitlement on or
4 before the first day of April, in the year in
5 which the exemption is first requested, with the
6 assessors of the place in which the person re-
7 sides. The assessors shall thereafter grant such
8 exemption to any person while he is so qualified
9 and continues a resident of that place or until
10 they are notified of reason or desire for discon-
11 tinuance.

12 H. Any municipality granting exemptions under
13 this subsection shall have a valid claim against
14 the State to recover 90% of the taxes lost by
15 reason of such exemptions as exceeds 3% of the
16 total local tax levy, upon proof of the facts in
17 form satisfactory to the Commissioner of Finance.
18 Such claims shall be presented to the Legislature
19 next convening.

20 I. No property conveyed to any person for the
21 purpose of obtaining exemption from taxation un-
22 der this subsection shall be so exempt, excepting
23 property conveyed between husband and wife, and
24 the obtaining of such exemption by means of
25 fraudulent conveyance shall be punished by a fine
26 of not less than \$100 and not more than 2 times
27 the amount of the taxes evaded by such fraudulent
28 conveyance whichever amount is greater.

29 J. No person shall be entitled to property tax
30 exemption under more than one paragraph of this
31 subsection.

32 K. In determining the local assessed value of
33 the exemption, the assessor shall multiply the
34 amount of the exemption by the ratio of current
35 just value upon which the assessment is based as
36 furnished in the assessor's annual return to the
37 State Tax Assessor.

1 STATEMENT OF FACT

2 The purpose of this bill is to increase the vet-
3 erans' property tax exemption from \$4,000 to \$6,000.
4 Due to inflation and increased property values, the
5 veterans' property tax exemption is no longer serving
6 its intended purpose.

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