

MAINE STATE LEGISLATURE

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L.D. 2574

(Filing No. H- 652)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1882, L.D. 2574,
Bill, "AN ACT to Expand the Property Tax Circuit
Breaker Program."

Amend the Bill by striking out everything after
the enacting clause and inserting in its place the
following:

'Sec. 1. 36 MRSA §6201, sub-§11, as enacted by
PL 1987, c. 516, §§3 and 6, is amended to read:

11. Rent constituting property taxes accrued.
"Rent constituting property taxes accrued" means
25% 15% of the gross rent actually paid in cash or
its equivalent in any tax year by a claimant and his
household solely for the right of occupancy of their
Maine homestead in the tax year and which rent
constitutes the basis, in the succeeding calendar
year, of a claim for relief under this chapter by the
claimant.

Sec. 2. 36 MRSA §6207, sub-§§1 and 2, as
enacted by PL 1987, c. 516, §§3 and 6, are repealed
and the following enacted in their place:

1. Benefit calculation. For claimants
representing a nonelderly household, the benefit is 33
1/3% of the amount by which the benefit base exceeds
4.5% of income to a maximum payment of \$250.

COMMITTEE AMENDMENT "A" to H.P. 1882, L.D. 2574

1 2. Income eligibility. Claimants with household
2 incomes in excess of \$28,000 are not eligible for a
3 benefit.

4 Sec. 3. 36 MRSA §6217, as enacted by PL 1987,
5 c. 516, §§3 and 6, is repealed.

6 Sec. 4. Appropriation. The following funds are
7 appropriated from the General Fund to carry out the
8 purposes of this Act.

	<u>1988-89</u>
10 <u>FINANCE, DEPARTMENT OF</u>	
11 Bureau of Taxation	
12 Positions	(4)
13 Personal Services	\$ 90,000
14 All Other	144,000
15 Capital Expenditures	6,800
16	
17 Total	<u>\$240,800</u>
18 Low-Income Tax Relief	
19 All Other	\$5,172,498
20 DEPARTMENT OF FINANCE	
21	
22 TOTAL	<u>\$5,413,298</u>

23 FISCAL NOTE

24 Enactment of this bill would result in a
25 low-income property tax circuit breaker program with a
26 total cost of \$7,900,000. However, \$2,500,000 has
27 already been appropriated for this purpose in the
28 fiscal year 1989 budget. The net additional cost of
29 this bill is \$5,413,298. There is also a significant
30 future cost associated with the bill due to the
31 elimination of the existing sunset provision for this
32 program which would have terminated June 30, 1989.'

COMMITTEE AMENDMENT "A" to H.P. 1882, L.D. 2574

1 STATEMENT OF FACT

2 This amendment expands the low-income portion of
3 the household tax and rent refund program. The
4 maximum benefit is raised to \$250; the benefit is
5 calculated as 33 1/3% of excess burden for homeowners
6 and for renters; and the income eligibility level is
7 raised to \$28,000. "Excess burden" is defined as the
8 amount by which the benefit base exceeds 4.5% of
9 income and "benefit base" is redefined for renters to
10 be 15% of gross rent paid in any tax year.

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Reported by the Majority of the Committee on Taxation
Reproduced and distributed under the direction of the Clerk of the
House
4/8/88 (Filing No. H-652)