

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 1008

H.P. 731

House of Representatives, April 3, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative CONLEY of Portland.

Cosponsored by Representative GURNEY of Portland, Representative HOGLUND of Portland and Representative ANTHONY of South Portland.

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STATE OF MAINE

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

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An Act Concerning Residential Real Property Tax Relief.

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(EMERGENCY)



1           **Emergency preamble.** Whereas, Acts of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted  
3 as emergencies; and

5           **Whereas,** the citizens of a number of the municipalities of  
6 our State have initiated local taxation or spending limitations  
7 on local government, citing dramatic increases in the amount of  
8 property taxation and frustration with the heavy burdens placed  
9 on property taxes; and

11           **Whereas,** the valuation of residential real estate in many  
12 areas of the State has skyrocketed in the past several years in  
13 many areas with an inflation rate exceeding 10% per year; and

15           **Whereas,** the pressures created by leaping property taxes and  
16 other factors have greatly damaged the ability of the citizens of  
17 Maine to afford decent housing within their means; and

19           **Whereas,** in the judgment of the Legislature, these facts  
20 create an emergency within the meaning of the Constitution of  
21 Maine and require the following legislation as immediately  
22 necessary for the preservation of the public peace, health and  
23 safety; now, therefore,

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

27                   **36 MRSA §5219-C is enacted to read:**

29           **§5219-C. Residential real property tax credit**

31                   **1. Credit created.** There shall be a credit against income  
32 taxes payable to the State under this Part of those amounts  
33 specified in subsection 3 for real property taxes assessed  
34 pursuant to chapter 103 and paid by a taxpayer as taxes on that  
35 taxpayer's permanent dwelling. For the purposes of this section  
36 "permanent dwelling" means residential real property, owned and  
37 occupied by the taxpayer as that taxpayer's primary residence.

39                   **2. Applicability.** The credit established in subsection 1  
40 shall be available if:

41                           **A.** The property tax is paid to a Maine municipality  
42 pursuant to chapter 105;

45                           **B.** The taxpayer is an owner of the real property and, in  
46 fact, used the property as the taxpayer's permanent dwelling  
47 during substantially the entire time that the taxpayer had  
48 an ownership interest in the property during the tax year;  
49 and

1           C. No other taxpayer, other than a person filing jointly  
3           with the taxpayer, has claimed a credit for the same  
5           dwelling under this chapter, or has been ratably apportioned  
7           according to the taxpayer's vested interest in the property,  
9           and the period of time during the year that the taxpayer  
11           owned the property.

13           3. Amount of credit. The credit shall be the lower of:

15           A. Four hundred dollars;

17           B. Twenty-five percent of the property tax actually paid  
19           during the tax year in which the credit is claimed; or

21           C. The tax liability of the taxpayer for the tax year in  
23           which the credit is claimed.

25           4. Limitation. The credit may only be applied with respect  
27           to the tax year in which it arises.

29           **Emergency clause.** In view of the emergency cited in the  
preamble, this Act shall take effect when approved.

## STATEMENT OF FACT

This bill creates a residential real property tax credit  
against state income tax for property tax paid on a taxpayer's  
principal dwelling.