

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

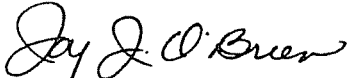
Legislative Document

No. 1140

S.P. 429

In Senate, April 11, 1989

Reference to the Committee on Taxation suggested and ordered printed.


JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

Cosponsored by Representative LEBOWITZ of Bangor and Representative DUFFY of Bangor.

STATE OF MAINE

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

An Act to Freeze Property Taxes of People Over the Age of 65.



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

3 36 MRSA c. 105, sub-c. IV-A is enacted to read:

5 SUBCHAPTER IV-A

7 PROPERTY TAX STABILIZATION

9 §681. Definitions

11 As used in this subchapter, unless the context otherwise
13 indicates, the following terms have the following meanings.

15 1. Bureau. "Bureau" means the Bureau of Taxation.

17 2. Claimant. "Claimant" means a person who has filed a
claim under this subchapter and was domiciled and owned a
19 homestead in this State during the entire calendar year preceding
the year in which the person has filed a claim for stabilization
21 under this subchapter.

23 3. Homestead. "Homestead" means the dwelling owned by the
claimant and occupied by the claimant and the claimant's
25 dependents as a home. A homestead may be a part of a
multidwelling or multipurpose building and a part of the land
27 upon which it is built. A mobile home may be a homestead.

29 4. Household. "Household" means a claimant and spouse and
those members of the household for whom the claimant under this
31 subchapter is entitled to claim an exemption as a dependent under
Part 8 for the year for which relief is requested.

33 5. Household income. "Household income" means all income
35 received by all persons of a household in a calendar year while
members of the household.

37 6. Income. "Income" means the sum of Maine adjusted gross
income determined in accordance with Part 8; the amount of
39 capital gains excluded from adjusted gross income; alimony;
support money; taxable strike benefits; the gross amount of any
41 pension or annuity including railroad retirement benefits; all
43 payments received under the United States Social Security Act,
state unemployment insurance laws and veterans' disability
45 pensions; nontaxable interest received from the Federal
Government or any of its instrumentalities; workers'
47 compensation; and the gross amount of loss-of-time insurance and
cash public assistance and relief. It does not include gifts
49 from nongovernmental sources or surplus food or other relief in
kind supplied by a governmental agency.

51 §682. Property tax stabilization

1 The annual property tax on the homestead of a claimant shall
2 remain at the level at which the property was taxed when the
3 owner attained the age of 65 years if the claimant meets all of
4 the following requirements when the claim is filed.

5 1. Age. The claimant is 66 years of age or older.

6 2. Retiree. The claimant has retired from work.

7 3. Income. A claimant shall be eligible for property tax
8 stabilization if the claimant's household income meets the
9 following income limitations.

10 A. For single member households, the annual household
11 income is equal to or less than \$7,213.

12 B. For households with 2 members, the annual household
13 income is equal to or less than \$9,663.

14 C. For households with 3 members, the annual household
15 income is equal to or less than \$12,113.

16 D. For households with 4 members, the annual household
17 income is equal to or less than \$14,563.

18 E. For households with 5 members, the annual household
19 income is equal to or less than \$17,013.

20 F. For households with 6 members, the annual household
21 income is equal to or less than \$19,463.

22 G. For households with 7 members, the annual household
23 income is equal to or less than \$21,913.

24 H. For households with 8 members, the annual household
25 income is equal to or less than \$24,363.

26 I. For households with more than 8 members, the allowable
27 household income shall be increased by \$2,450 for each
28 household member over 8.

29 §683. Property entitled to stabilization

30 In order to qualify for tax stabilization under this
31 subchapter, the property must meet all of the following
32 requirements when the claim is filed and thereafter as long as
33 the payment of taxes by the taxpayer is stabilized.

34 1. Claimant's homestead. The property must be the
35 homestead of the individual or individuals who file the claim for
36 stabilization, except for an individual required to be absent
37 from the homestead by reason of health.

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2. Fee simple estate. The person claiming stabilization
3 must, solely or together with the person's spouse, own the fee
4 simple estate or be purchasing the fee simple estate under a
5 recorded instrument of sale, or 2 or more persons must together
6 own or be purchasing the fee simple estate with rights of
7 survivorship under a recorded instrument of sale if all owners
8 live in the homestead and if all owners apply for stabilization
9 jointly.

11 **§684. Claim forms; contents**

13 1. Administration. A taxpayer's claim for stabilization
14 under this subchapter must be filed annually. The claim shall be
15 in writing on a form supplied by the bureau and shall:

17 A. Describe the homestead;

19 B. Recite facts establishing the eligibility for
20 stabilization under this subchapter, including facts that
21 establish that the household income meets the limitations
22 outlined in section 682, subsection 3; and

23 C. Have attached any documentary proof required by the
24 bureau to show that the requirements of section 683 have
25 been met.

27 2. Statement verification. There shall be annexed to the
28 claim a statement verified by a written declaration of the
29 applicant making the claim to the effect that the statements
30 contained in the claim are true.
31

33 **§685. Reimbursement to municipal tax collectors**

35 The bureau shall pay to the respective municipal tax
36 collectors an amount equivalent to the taxes not collected by the
37 municipalities as a result of the tax stabilization program.
38 Payment shall be made from the account established under section
39 686.

41 **§686. Senior Homestead Property Tax Stabilization Account;**
42 **sources; uses**

43 1. Account. This section establishes in the State Treasury
44 the Senior Homestead Property Tax Stabilization Account to be
45 used by the bureau for the purpose of making payments to
46 municipal tax collectors of those amounts not collected by the
47 municipalities as a result of the tax stabilization program.

49 2. Advancement of funds. The funds necessary to make
50 payments under subsection 1 shall be advanced to the bureau by
51 the Treasurer of State as an appropriation from the General Fund.

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STATEMENT OF FACT

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This bill establishes a property tax stabilization program for income-eligible retired homeowners over the age of 65. Under the program, the property tax of eligible persons shall remain at the level at which the property was taxed when the owner reached the age of 65. State funds would reimburse municipalities for the difference between the amount paid by the owner under the program and the amount that would be due on the full assessed value of the property.

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