

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1362

H.P. 984

House of Representatives, April 26, 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 JACKSON of Harrison.

Cosponsored by Representative SEAVEY of Kennebunkport, Representative WHITCOMB of Waldo and Senator BRAWN of Knox.

STATE OF MAINE

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

**An Act to Broaden the Level of Property Tax Assistance Available to
Persons with Excessive Tax Burdens.**



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

3 Sec. 1. 36 MRSA c. 907, first 2 lines are repealed and the
5 following enacted in their place:

7 CHAPTER 907

9 FAMILY HOMESAVER PROGRAM ACT OF 1989

11 Sec. 2. 36 MRSA §6201, sub-§5, as enacted by PL 1987, c. 516,
§§3 and 6, is amended to read:

13 5. Homestead. "Homestead" means the dwelling, owned or
15 rented by the claimant, and occupied by the claimant and his the
17 claimant's dependents as a home and principal residence, and may
19 consist of a part of a multidwelling or multipurpose building and
a part of the land, up to 10 acres, upon which it is built.
"Owned" includes a vendee in possession under a land contract and
of one or more joint tenants or tenants in common.

21 Sec. 3. 36 MRSA §6201, sub-§8-A is enacted to read:

23 8-A. Household property. "Household property" means the
25 goods and furnishings of a claimant's homestead including
vehicles.

27 Sec. 4. 36 MRSA §6201, sub-§9, as enacted PL 1987, c. 516, §§3
and 6, is repealed and the following enacted in its place:

29 9. Income. "Income" means salaries, wages, earnings, tips,
31 net business income, partnership income and farm income, all
33 dividends, interest and other income including, but not limited
35 to, net rental income, capital gains, alimony, support payments,
37 unemployment compensation, loss of time insurance, nontaxable
39 strike benefits, workers' compensation, pensions including Social
41 Security and railroad retirement, cash public assistance or
43 relief benefits, adjusted for deductions made pursuant to state
45 or federal income taxation, such as employee business expenses
and alimony paid, except that these adjustments may not exceed
\$25,000.

Income does not include any benefits received under this chapter
or gifts from nongovernmental sources or surplus foods or other
relief in kind supplied by a governmental agency.

47 Sec. 5. 36 MRSA §6201, sub-§11-B is enacted to read:

49 11-B. Total assets exclusive of homestead. "Total assets
exclusive of homestead" means household income plus all things of
51 value to which the claimant holds legal claim, with the exception
of claimant's homestead and household property.

1 Sec. 6. 36 MRSA §6201-A is enacted to read:

3 §6201-A. Short title

5 This chapter shall be known and may be cited as "The Family
7 Homesaver Program Act of 1989."

9 Sec. 7. 36 MRSA §6205, as enacted by PL 1987, c. 516, §§3 and 6, is repealed.

11 Sec. 8. 36 MRSA §6207, sub-§1, as amended by PL 1987, c. 876, §5, is repealed and the following enacted in its place:

13 1. Benefit calculation. For claimants representing a
15 nonelderly household, the benefit is calculated as follows:

17 A. Thirty-three and one third percent of the amount by
19 which the benefit base exceeds 4.5% of income and is less
21 than 8% of income;

23 B. Fifty percent of the amount by which the benefit base
25 equals 8% or more and is not more than 10% of income; and

27 C. One hundred percent of the amount by which the benefit
29 base exceeds 10% of income.

31 Sec. 9. 36 MRSA §6207, sub-§2, as repealed and replaced by PL 1987, c. 839, §3, is repealed.

33 Sec. 10. 36 MRSA §6207, sub-§§2-A and 2-B are enacted to read:

35 2-A. Income eligibility. Claimants must have household
37 incomes of less than \$40,000, in the year for which relief is
39 requested and in each of the 2 preceding years, to be eligible
41 for a benefit under this section. In addition, total assets of a
43 claimant, exclusive of claimant's homestead, must be less than
45 \$50,000 in the year for which relief is requested to be eligible
47 for a benefit under this section.

49 2-B. Proof of eligibility. To be eligible for benefits
51 under this section, claimants must furnish proof of eligibility
in a form to be determined by the Bureau of Taxation.

53 Sec. 11. 36 MRSA §§6213, 6214 and 6215, as enacted by PL 1987, c. 516, §§3 and 6, are repealed.

STATEMENT OF FACT

55 This bill replaces the Household Tax and Rent Refund Act with the Family Homesaver Program Act of 1989. Although many

1 sections of the Household Tax and Rent Refund Act would remain
unchanged, this bill modifies the eligibility requirements,
3 definitions and the benefit calculations provided by the Act.

5 In addition, the bill repeals the sections of the current
Act concerning limitation of claims, appeals and extension of
7 time for filing claims.