

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2394

H.P. 1710

House of Representatives, March 2, 1992

Reference to the Committee on Taxation suggested and ordered printed.

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

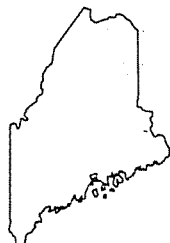
EDWIN H. PERT, Clerk

Presented by Representative BUTLAND of Cumberland. (GOVERNOR'S BILL)
Cosponsored by Senator COLLINS of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

**An Act to Tighten Eligibility for the Maine Residents Property Tax
Program.**



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

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4 **Sec. 1. 36 MRSA §6201, sub-§2**, as enacted by PL 1987, c. 516, §§3 and 6, is amended to read:

6 **2. Claimant.** "Claimant" means a ~~person~~ an individual who
7 has filed a claim under this chapter and was domiciled in this
8 State and owned or rented a homestead in this State during the
9 entire calendar year preceding the year in which he ~~files~~ the
10 claim for relief under this chapter is filed. When 2 individuals
11 of a household ~~are--able--to~~ meet the qualifications for a
12 claimant, they may determine ~~between them as to who~~ which is the
13 claimant ~~shall be~~. If they are unable to agree, the matter shall
14 be is referred to the State Tax Assessor and ~~his~~ the State Tax
15 Assessor's decision shall ~~be~~ is final. If a homestead is occupied
16 by 2 or more individuals, and more than one individual ~~is-able-to~~
17 qualify qualifies as a claimant, the individuals may determine
18 ~~among them as to who~~ which is the claimant shall be. If they are
19 unable to agree, the matter shall ~~be~~ is referred to the State Tax
20 Assessor and ~~his~~ the State Tax Assessor's decision shall ~~be~~ is
21 final. Ownership of a homestead under this chapter may be by fee,
22 by life tenancy, by bond for deed, as mortgagee or any other
23 possessory interest in which the owner is personally responsible
24 for the tax for which he the owner claims a refund.

26 **Sec. 2. 36 MRSA §6201, sub-§5**, as amended by PL 1989, c. 534,
27 Pt. A, §3, is further amended to read:

28 **5. Homestead.** "Homestead" means the dwelling, owned or
29 rented by the claimant, and occupied by the claimant and the
30 claimant's dependents as a home, and may consist of a part of a
31 multidwelling or multipurpose building and a part of the land, up
32 to 10 contiguous acres, upon which it is built. "Owned" includes
33 a vendee in possession under a land contract ~~and-ef~~ or one or
34 more joint tenants or tenants in common.

36 **Sec. 3. 36 MRSA §6201, sub-§9**, as amended by PL 1991, c. 149,
37 is further amended to read:

38 **9. Income.** "Income" means the sum of Maine adjusted gross
39 income determined in accordance with Part 8, the amount of
40 capital gains excluded from adjusted gross income, the absolute
41 value of the amount of trade or business loss, net operating loss
42 carry-over, capital loss, rental loss, farm loss, partnership or
43 S Corporation loss included in adjusted gross income, alimony,
44 inheritance, life insurance proceeds paid on death of insured,
45 nontaxable lawsuit rewards, such as slander, libel and pain and
46 suffering, excluding reimbursements such as medical and legal
47 expenses associated with the case, support money, nontaxable
48 strike benefits, the gross amount of any pension or annuity,
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2 including railroad retirement benefits, all payments received
3 under the federal Social Security Act, state unemployment
4 insurance laws, veterans' disability pensions, nontaxable
5 interest received from the Federal Government or any of its
6 instrumentalities, interest or dividends on obligations or
7 securities of this State and its political subdivisions and
8 authorities, workers' compensation and the gross amount of "loss
9 of time" insurance, cash public assistance and relief, but not
10 including relief granted under this chapter. Income does not
11 include ~~up-to~~ the first \$5,000 in the proceeds from a life
12 insurance proceeds-of policy, whether paid in a lump sum or in
13 the form of an annuity. Income also does not include gifts from
14 nongovernmental sources or surplus foods or other relief in kind
15 supplied by a governmental agency.

16 **Sec. 4. 36 MRSA §6201, sub-§10**, as enacted by PL 1987, c. 516,
17 §§3 and 6, is amended to read:

18 **10. Property taxes accrued.** "Property taxes accrued" means
19 property taxes exclusive of special assessment, delinquent
20 interest and charges for service levied on a claimant's homestead
21 in this State as of April 1, 1972, or any tax year thereafter. If
22 a homestead is owned by 2 or more persons or entities as joint
23 tenants or tenants in common, and one or more persons or entities
24 are not a ~~member~~ members of the claimant's household, "property
25 taxes accrued" is that part of property taxes levied on the
26 homestead which that reflects the ownership percentage of the
27 claimant and ~~his~~ the claimant's household. If a claimant and
28 spouse own their homestead part of the preceding tax year and
29 rent it or a different homestead for part of the same tax year,
30 "property taxes accrued" means only taxes levied on the homestead
31 when both owned and occupied by the claimant on April 1st,
32 multiplied by the percentage of 12 months that such property was
33 owned and occupied by the household as its homestead during the
34 preceding tax year. When a household owns and occupies 2 or more
35 different homesteads in this State in the same tax year, property
36 taxes accrued shall relate only to that property occupied by the
37 household as a homestead on April 1st. If a homestead is an
38 integral part of a larger unit such as a farm, or a multipurpose
39 or multidwelling building, property taxes accrued ~~shall be~~ are
40 that percentage of the total property taxes accrued as that
41 the value of the homestead is of the total value, except that
42 property taxes accrued do not include any portion of taxes
43 claimed as a business expense for federal income tax purposes.
44 For purposes of this chapter, "unit" refers to the parcel of
45 property separately assessed of which the homestead is a part.

46 **Sec. 5. 36 MRSA §6203**, as enacted by PL 1987, c. 516, §§3 and
47 6, is amended to read:

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2 **§6203. Claim to be paid from General Fund; offset allowed**

4 The amount of the claim after certification by the State Tax
6 Assessor may be paid to a claimant from the General Fund. No
8 ~~interest may be~~ Interest is not allowed on any payment made to a
claimant pursuant to this chapter and the assessor may apply a
refund due to a claimant to any tax debt owed by the claimant to
the State.

10 **Sec. 6. 36 MRSA §6206, sub-§3**, as enacted by PL 1987, c. 516,
12 §§3 and 6, is amended to read:

14 **3. Minimum benefit.** No A claim of less than \$5 \$10 may not
be granted.

16 **Sec. 7. 36 MRSA §6207, sub-§1, ¶A-1**, as enacted by PL 1989, c.
18 878, Pt. B, §37, is amended to read:

20 A-1. Fifty percent of that portion of the benefit base that
exceeds 4.5% 5.0% but does not exceed 8.5% of household
income, plus 100% of that portion of the benefit base that
22 exceeds 8.5% of income to a maximum payment of \$3,000.

24 **Sec. 8. 36 MRSA §6207, sub-§3**, as enacted by PL 1987, c. 516,
26 §§3 and 6, is amended to read:

28 **3. Subsidized rental housing.** No A claim may not be granted
under this section to claimants whose ~~housing~~ rental costs for
the year for which relief is requested were subsidized by a
30 ~~government programs which limit housing costs to a percentage of~~
~~household income~~ program.

32 **Sec. 9. Effective date.** This Act is effective with respect to
34 claims for relief filed on or after August 1, 1992.

36 **STATEMENT OF FACT**

38 This act contains provisions clarifying and restricting the
40 terms of eligibility for the Maine Residents Property Tax Program.