

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

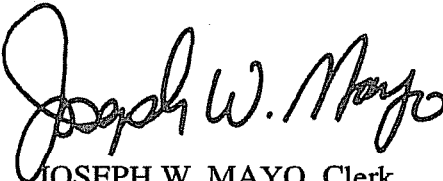
No. 572

H.P. 446

House of Representatives, February 22, 1993

An Act to Adjust Property Tax Levies Based on Household Income.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative NORTON of Winthrop.
Cosponsored by Representatives: LEMKE of Westbrook, YOUNG of Limestone, Senator:
HANDY of Androscoggin.

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

4 Sec. 1. 36 MRSA §709-C is enacted to read:

6 §709-C. Household property tax adjustments for nonproperty
tax revenues; computation

8 When the municipal officers have determined the total
percentage reduction in local property taxes attributable to
10 revenues other than property taxes, including, without
12 limitation, state-municipal revenue sharing, state aid to
14 education, filing and licensing fees, fees for services and other
fees retained in the municipal budget, the assessors shall
compute the percentage adjustments in property tax bills in the
following manner.

16 1. File statement of household income. No later than March
18 1st of each year, a property holder shall file with the assessors
a signed statement showing federal adjusted gross income for that
20 property holder's household as reported on the federal income tax
form filed and due by April 15th of the preceding year.

22 2. Household tax-to-income ratio. The assessors shall
24 compute the ratio of property taxes due for each household to
household income.

26 3. Median ratio. The assessors shall determine the median
28 ratio of property taxes due for each household to the household
incomes for the municipality's households.

30 4. Formula; adjustments to tax. The assessors shall adjust
32 each household's property tax bills so that the deviation from
the median ratio calculated under subsection 3 does not exceed
34 10%, except that the tax adjustment for a household may not
exceed 95% of the mean adjustment to property tax bills within
36 the municipality.

38 5. Corporate reductions. The assessors shall reduce the
property tax bills of corporations and other businesses by the
40 total percentage by which the sum of all municipal revenues
exceeds the sum of all property tax revenues.

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44 **STATEMENT OF FACT**

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48 Currently, property tax bills are reduced by a uniform
percentage based on total municipal revenues other than property
taxes. This bill establishes a method of computing adjustments
50 based on ability to pay as established by household income

2 reported on federal income tax forms. Businesses would continue
to receive reductions using the current method of uniform
reduction.

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