

MAINE STATE LEGISLATURE

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L.D. 501

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DATE: 5/3/95

(Filing No. H-195)

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 192, L.D. 501, Bill, "An Act to Include Individuals with Property in a Living Trust in the Maine Residents Property Tax Program"

Amend the amendment by inserting after the title the following:

'Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 36 MRSA §653, sub-§1, ¶C, as repealed and replaced by PL 1993, c. 739, §1, is amended to read:

C. The estates up to the just value of \$5,000, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States:

(1) During any federally recognized war period, including the Korean Campaign, the Vietnam War and the Persian Gulf War, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total disability, service-connected or nonservice-connected, as a veteran. A veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964 and before May 7, 1975, unless the veteran died in service or was discharged for a service-connected disability after that date. "Vietnam War" means the period between August 5, 1964 and May 7, 1975. "Persian Gulf War" means service on active duty between August 7, 1990 and April 11, 1991; or

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 192, L.D.
501

2 (2) Who are disabled by injury or disease incurred or
3 aggravated during active military service in the line
4 of duty and are receiving any form of pension or
5 compensation from the United States Government for
6 total, service-connected disability.

8 The exemptions provided in this paragraph apply to the
9 property of that veteran, including property held in joint
10 tenancy with that veteran's spouse or held in a revocable
11 living trust for the benefit of that veteran.

12 **Sec. 2. 36 MRSA §653, sub-§1, ¶¶C-1 and D,** as amended by PL
14 1989, c. 501, Pt. Z, are further amended to read:

16 C-1. The estates up to the just value of \$7,000, having a
17 taxable situs in the place of residence of veterans who
18 served in the Armed Forces of the United States during any
19 federally recognized war period during or before World War I
20 and who would be eligible for an exemption under paragraph C.

22 The exemption provided in this paragraph shall-be is in lieu
23 of any exemption under paragraph C to which the veteran may
24 be eligible and shall-apply applies to the property of that
25 veteran, including property held in joint tenancy with that
26 veteran's spouse or held in a revocable living trust for the
27 benefit of that veteran.

28 D. The estates up to the just value of \$5,000, having a
29 taxable situs in the place of residence, of the unremarried
30 widow or minor child of any veteran who would be entitled to
31 the exemption if living, or who is in receipt of a pension
32 or compensation from the Federal Government as the widow or
33 minor child of a veteran.

36 The estates up to the just value of \$5,000, having a taxable
37 situs in the place of residence, of the mother of a deceased
38 veteran who is 62 years of age or older and is an
39 unremarried widow who is in receipt of a pension or
40 compensation from the Federal Government based upon the
41 service-connected death of her son child.

42 The exemptions provided in this paragraph apply to the
43 property of an unremarried widow, minor child or mother of a
44 deceased veteran, including property held in a revocable
45 living trust for the benefit of that unremarried widow,
46 minor child or mother of a deceased veteran.

48 **Sec. 3. 36 MRSA §653, sub-§1, ¶D-1,** as amended by PL 1993, c.
50 739, §2, is further amended to read:

HOUSE AMENDMENT

R of S.

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 192, L.D.
501

2 D-1. The estates up to the just value of \$47,500, having a
3 taxable situs in the place of residence, for specially
4 adapted housing units, of veterans who served in the Armed
5 Forces of the United States during any federally recognized
6 war period, including the Korean Campaign, the Vietnam War
7 and the Persian Gulf War, and who are paraplegic veterans,
8 so-called, within the meaning of the United States Code,
9 Title 38, Chapter 21, Section 2101, and who received a grant
10 from the United States Government for the specially adapted
11 housing, or of the unremarried widows of the veterans. A
12 veteran of the Vietnam War must have served on active duty
13 for a period of more than 180 days, any part of which
14 occurred after August 4, 1964 and before May 7, 1975, unless
15 the veteran died in service or was discharged for a
16 service-connected disability after that date. "Vietnam War"
17 means the period between August 5, 1964 and May 7, 1975.
18 "Persian Gulf War" means service on active duty between
19 August 7, 1990 and April 11, 1991. The exemption provided
20 in this paragraph applies to the property of the veteran
21 including property held in joint tenancy with that veteran's
22 spouse or held in a revocable living trust for the benefit
23 of that veteran.

24 **Sec. 4. 36 MRSA §653, sub-§1, ¶¶D-2 and D-3, as amended by PL**
25 **1989, c. 501, Pt. Z, are further amended to read:**

28 D-2. The estates up to the just value of \$7,000, having a
29 taxable situs in the place of residence of the unremarried
30 widow or minor child of any veteran who would be entitled to
31 an exemption under paragraph C-1, if living, or who is in
32 receipt of a pension or compensation from the Federal
33 Government as the widow or minor child of a veteran, and who
34 is the unremarried widow or minor child of a veteran who
35 served during any federally recognized war period during or
36 before World War I.

38 The exemption provided in this paragraph shall be is in lieu
39 of any exemption under paragraph D to which the person may
40 be eligible and applies to the property of that person,
41 including property held in a revocable living trust for the
42 benefit of that person.

44 D-3. The estates up to the just value of \$7,000, having a
45 taxable situs in the place of residence of the mother of a
46 deceased veteran who is 62 years of age or older and is an
47 unremarried widow who is in receipt of a pension or
48 compensation from the Federal Government based upon the
49 service-connected death of her son and who is receiving the
50 pension or compensation from the Federal Government based

R of S.

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 192, L.D. 501

2 upon the service-connected death of her son during any federally recognized war period during or before World War I.

4 The exemption provided in this paragraph shall-be is in lieu of any exemption under paragraph D to which the person may be eligible and applies to the property of that person, including property held in a revocable living trust for the benefit of that person.' '

10 Further amend the amendment in the first paragraph after the title in the first line (page 1, line 23 in amendment) by striking out the following: "Amend" and inserting in its place the following: 'Further amend' and in the 3rd line (page 1, line 14 25 in amendment) by striking out the following: "revokable" and inserting in its place the following: 'revocable'

18 Further amend the amendment in section 3 by striking out all of the last 3 lines (page 2, lines 10 to 12 in amendment) and inserting in their place the following:

20 'Veterans Tax Reimbursement

22			
24	All Other		12,000
26	Provides funds to reimburse municipalities for 50% of the lost property tax revenue due to the expansion of claimants eligible for the veterans property tax exemption.		

32 DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

34	TOTAL	<u>\$16,025</u>	<u>\$28,525'</u>
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36 Further amend the amendment by striking out all of section 4 (page 2, lines 14 and 15 in amendment) and inserting in its place the following:

40 'Sec. 4. Application. Sections 1 to 4 of this Act apply to tax years beginning on or after April 1, 1996. Sections 5 and 6 of this Act apply to claims filed with the Bureau of Taxation on or after August 1, 1995.

46 Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.'

HOUSE AMENDMENT

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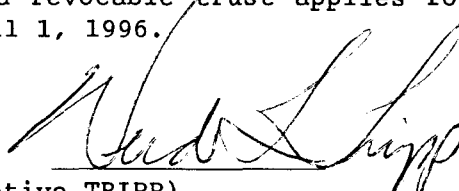
FISCAL NOTE

	1995-96	1996-97
APPROPRIATIONS/ALLOCATIONS		
General Fund	\$16,025	\$28,525

The Bureau of Taxation will require additional General Fund appropriations of \$12,000 in fiscal year 1996-97 for the additional claims under the Veterans Property Tax Reimbursement program as a result of this amendment. The total General Fund appropriations required by the bill will increase from \$16,525 to \$28,525 in fiscal year 1996-97.

STATEMENT OF FACT

This amendment extends the exemption from property taxes for estates of veterans to exempt further property held by a veteran in a revocable living trust. The exemption of a veteran's property in a revocable trust applies for tax years beginning on or after April 1, 1996.

SPONSORED BY: 
(Representative TRIPP)

TOWN: Topsham