

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

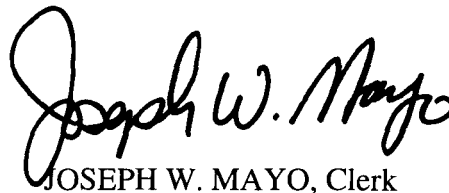
No. 1410

H.P. 999

House of Representatives, April 25, 1995

An Act to Create a Homestead Tax Credit to Be Administered by Local Municipalities.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative SIMONEAU of Thomaston.

Cosponsored by Representatives: AIKMAN of Poland, CAMPBELL of Holden, DONNELLY of Presque Isle, GUERRETTE of Pittston, MORRISON of Bangor, VIGUE of Winslow.

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

4 **Sec. 1. 36 MRSA §505, sub-§4,** as amended by PL 1983, c. 480,
Pt. A, §40, is further amended to read:

6 **4. When interest collected.** The date or dates from and
7 after which interest shall ~~accrue~~ accrues, which shall must also
8 be the date or dates on which taxes shall become delinquent. The
9 rate of interest shall must be specified in the vote and shall
10 apply applies to delinquent taxes committed during the taxable
11 year until those taxes are paid in full. The rate of interest
12 shall may not exceed the highest conventional rate of interest
13 charged for commercial unsecured loans by Maine banking
14 institutions on the first business day of the calendar year the
15 vote is taken. The highest conventional rate of interest charged
16 for commercial unsecured loans by Maine banking institutions on
17 the first business day of each calendar year shall must be
18 determined ~~in-his-best-judgment~~ by the Treasurer of State, in the
19 treasurer's best judgment, who shall send a written notice of
20 ~~such~~ the rate of interest on or before January 20th of each year
21 to the chief municipal officer of each municipality. The
22 interest shall must be added to and become part of the taxes;

24 **Sec. 2. 36 MRSA §505, sub-§5** is amended to read:

26 **5. Abatement when taxes paid prior to time.** That all
27 taxpayers who pay their taxes prior to specified times shall ~~be~~
28 are entitled to abatement ~~thereon~~ on those taxes, which abatement
29 shall may not exceed 10%, and shall must be specified in the
30 vote. A notification of ~~such~~ the vote shall must be posted by
31 the treasurer in one or more public places in the municipality
32 within 7 days after the commitment of the taxes; and

34 **Sec. 3. 36 MRSA §505, sub-§6** is enacted to read:

36 **6. Property tax credit.** That a residential taxpayer may
37 receive a tax credit of up to 20% of the tax due on the
38 taxpayer's principle residence. If a municipality votes to grant
39 the credit authorized by this section, the specific amount of the
40 credit must be determined by vote of the municipality. The
41 credit may be granted only to a resident individual, as defined
42 in section 5102, subsection 5, and the principle residence must
43 be that residence in which the taxpayer resides for more than 183
44 days. A municipality choosing to grant this property tax credit
45 is not eligible for reimbursement pursuant to section 661.

48 **STATEMENT OF FACT**

50 This bill allows municipalities to grant property tax
credits of up to 20% of a resident individual's property tax.