

# 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)



# 118th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-1997

---

Legislative Document

No. 1833

---

H.P. 1288

House of Representatives, April 24, 1997

---

**An Act to Reform the Administration of the Maine Residents Property  
Tax Relief Program.**

---

Received by the Clerk of the House on April 22, 1997. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Portland.  
Cosponsored by Representatives: ETNIER of Harpswell, KONTOS of Windham, LEMONT of Kittery, SPEAR of Nobleboro, TRIPP of Topsham, Senators: MILLS of Somerset, PINGREE of Knox, RUHLIN of Penobscot.

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

2           **Sec. 1. 32 MRSA §1101, sub-§4-A, ¶C**, as amended by PL 1995, c.  
4 325, §5, is further amended to read:

6           C. Households as defined in Title 36, ~~sections 6206 and~~  
8 ~~6207~~ section 6207-A.

10           **Sec. 2. 36 MRSA §191, sub-§2, ¶S**, as corrected by RR 1995, c.  
12 2, §89, is amended to read:

14           S. The disclosure to an authorized representative of the  
16 Department of Human Services of the names and social  
18 security numbers of applicants for the Maine Residents  
20 Property Tax Relief Program for the purpose of identifying  
22 those who are not eligible for that program pursuant to  
section 6207 ~~6207-A~~, subsection 3 4. The Department of  
Human Services may not disclose names or social security  
numbers to any person, agency or organization, other than  
the Bureau of Taxation, nor may those names and social  
security numbers be used for any purpose other than the  
purpose stated in this paragraph;

24           **Sec. 3. 36 MRSA §6162-A, sub-§1**, as amended by PL 1987, c.  
26 772, §43, is repealed and the following enacted to read:

28           1. Age. Individuals qualify under this program if they meet  
the following age requirements:

30           A. At least one member of the household has attained 62  
years of age;

32           B. The claimant is currently not married and has attained  
34 55 years of age and is, due to disability, receiving federal  
disability payments, such as supplemental security income; or

36           C. The claimant is currently married and has attained 55  
38 years of age and both the claimant and the claimant's spouse  
40 are, due to disability, receiving federal disability  
payments, such as supplemental security income.

42           **Sec. 4. 36 MRSA §6162-A, sub-§2**, as amended by PL 1995, c.  
44 368, Pt. CCC, §6 and affected by §11, is repealed and the  
following enacted in its place:

46           2. Income. Single-member households with household income  
48 that did not exceed \$10,300 and households with 2 or more members  
with household income that did not exceed \$12,700 in the previous  
calendar year are eligible for this program. Household income is  
50 as defined in chapter 907.

2           **Sec. 5. 36 MRSA §6162-A, sub-§4**, as enacted by PL 1987, c.  
528, §2, is repealed.

4           **Sec. 6. 36 MRSA §6201, sub-§3**, as enacted by PL 1987, c. 516,  
6 §§3 and 6, is repealed.

8           **Sec. 7. 36 MRSA §6201, sub-§4**, as amended by PL 1991, c. 824,  
10 Pt. A, §81, is further amended to read:

12           **4. Gross rent.** "Gross rent" means rental paid at arm's  
14 length solely for the right ~~of occupancy~~ to occupy a  
16 homestead, exclusive of charges for any utilities, services,  
18 furniture, furnishings or personal property appliances furnished  
20 by the landlord as part of the rental agreement, whether or not  
expressly set out in the rental agreement. If the landlord and  
tenant have not dealt with each other at arm's length, and the  
State Tax Assessor is satisfied that the gross rent charged was  
excessive, the State Tax Assessor may adjust the gross rent to a  
reasonable amount for purposes of this chapter.

22           **Sec. 8. 36 MRSA §6201, sub-§9**, as amended by PL 1993, c. 395,  
24 §28, is further amended to read:

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

2           **Sec. 9. 36 MRSA §6201, sub-§11**, as amended by PL 1987, c. 839,  
§1, is further amended to read:

4           **11. Rent constituting property taxes accrued for a**  
5 **household with income that does not exceed \$12,500.** "Rent  
6 constituting property taxes accrued for an-elderly a household  
7 with income that does not exceed \$12,500" means 25% of the gross  
8 rent actually paid in cash or its equivalent in any tax year by a  
9 claimant and the claimant's household solely for the right of  
10 occupancy of for their Maine homestead in the tax year and which  
11 rent constitutes the basis, in the succeeding calendar year, of a  
12 claim for relief under this chapter by the claimant.

14           **Sec. 10. 36 MRSA §6201, sub-§11-A**, as enacted by PL 1987, c.  
15 839, §2, is amended to read:

16           **11-A. Rent constituting property taxes accrued for a**  
17 **household whose household income exceeds \$12,500.** "Rent  
18 constituting property taxes accrued for nonelderly a household  
19 with income that exceeds \$12,500" means 15% of the gross rent  
20 actually paid in cash or its equivalent in any tax year by a  
21 claimant and the claimant's household solely for the right of  
22 occupancy of their Maine homestead in the tax year and which rent  
23 constitutes the basis, in the succeeding calendar year, of a  
24 claim for relief under this chapter by the claimant.

26           **Sec. 11. 36 MRSA §6206**, as enacted by PL 1987, c. 516, §§3  
27 and 6, is repealed.

30           **Sec. 12. 36 MRSA §6207**, as amended by PL 1995, c. 639, §32,  
31 is repealed.

34           **Sec. 13. 36 MRSA §6207-A** is enacted to read:

36           **§6207-A. Benefit calculations; income limitations**

38           A claimant qualifies for the following benefits subject to  
the following income limitations.

40           **1. Income over \$16,500.** For claimants representing a  
41 household whose household income exceeds \$16,500, the benefit is  
42 50% of that portion of the benefit base that exceeds 5% but does  
43 not exceed 10% of income and 100% of that portion that exceeds  
44 10% of income to a maximum payment of \$700.

46           **2. Income between \$12,500 and \$16,500.** For claimants  
47 representing a household whose household income exceeds \$12,500  
48 but does not exceed \$16,500, the benefit is 50% of that portion  
of the benefit base that exceeds 3.0% but does not exceed 8% of

2 income plus 100% of that portion of the benefit base that exceeds  
3 8% of income to a maximum payment of \$700.

4 3. Income less than \$12,500. For claimants representing a  
5 household whose household income does not exceed \$12,500, the  
6 benefit is 100% of the benefit base to a maximum payment of \$700.

8 4. Income eligibility. Single-member households with  
9 household incomes in excess of \$25,000 and households with 2 or  
10 more members with a household income in excess of \$35,000 are not  
11 eligible for a benefit.

12 5. Minimum benefit. A claim of less than \$25 may not be  
13 granted.

14 Sec. 14. 36 MRSA §6208, as enacted by PL 1987, c. 516, §§3  
15 and 6, is repealed.

16 Sec. 15. 36 MRSA §6209, as amended by PL 1989, c. 508, §25,  
17 is further amended to read:

18 §6209. Annual adjustment

19 1. Household limitation adjustment. Beginning--March--1,  
20 1989,--and--annually--thereafter Annually, the State Tax Assessor  
21 shall determine the household income eligibility adjustment  
22 factor. That factor shall must be multiplied by the income  
23 limitations in section 6206 6207-A, applicable for the year prior  
24 to that for which relief is requested. The result shall must be  
25 rounded to the nearest \$100 and shall-apply applies to the year  
26 for which relief is requested corresponding to the year on which  
27 the annualized cost of living adjustments were based. Beginning  
28 March-1,-1991,--the--same--procedure--shall--be--employed--to--adjust--the  
29 income--limitation--in--section--6207,--subsection--2.

30 Sec. 16. 36 MRSA §6221 is enacted to read:

31 §6221. Checkoff for application

32 The Bureau of Taxation with the cooperation of the  
33 Department of Human Services shall revise applications for  
34 persons applying for or receiving TANF, food stamps or Medicaid  
35 to allow the person applying for or receiving TANF, food stamps  
36 or Medicaid by providing for a checkoff on the application to  
37 also apply for the Maine Residents Property Tax Program. A  
38 checkoff to apply for the Maine Residents Property Tax Program  
39 must also be included on income tax return forms.

2 The Bureau of Taxation shall provide for the filing of an  
3 application for the Maine Residents Property Tax Program by  
4 electronic filing.

6 **SUMMARY**

8 This bill amends the Maine Residents Property Tax Relief  
9 Program. The purpose of these changes is to simplify the  
10 application. Removing the requirement to attach copies of tax  
11 bills, removing reference to business use of the home and  
12 including amounts for utilities in rent may lead to benefit cost  
13 increases and inequities in benefit amounts among clients.

14 The bill also requires the Bureau of Taxation with the  
15 cooperation of the Department of Human Services to allow a person  
16 applying for or receiving TANF, food stamps or Medicaid to be  
17 able to apply for the Maine Residents Property Tax Program at the  
18 time the person applies for or recertifies for the benefit. The  
19 bill also requires the Bureau of Taxation to provide for the  
20 filing of an application for the Maine Residents Property Tax  
21 Program by electronic filing.  
22