

# MAINE STATE LEGISLATURE

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 26, L.D. 26, Bill, "An Act to Expand Eligibility for the Veterans' Property Tax Exemption"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 36 MRSA §653, sub-§1, ¶C, as amended by PL 1999, c. 462, §2, is further amended to read:

C. The estates up to the just value of \$5,000 \$7,000, 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 February 27, 1961 and before May 8, 1975 in the case of a veteran who served in the Republic of Vietnam and after August 4, 1964 and before May 7, 1975 in all other cases, 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 and the period beginning on February 28, 1961 and ending on May 7, 1975 in the case of a veteran who served in the

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R. O. S.

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2 Republic of Vietnam during that period. "Persian Gulf  
4 War" means service on active duty on or after August 7,  
1990 and before or on the date that the United States  
Government recognizes as the end of that war period; or

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

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

18 **Sec. 2. 36 MRSA §653, sub-§1, ¶D,** as amended by PL 1995, c.  
368, Pt. CCC, §2 and affected by §11, is further amended to read:

20 D. The estates up to the just value of ~~\$5,000~~ \$7,000,  
22 having a taxable situs in the place of residence, of the  
unremarried widow or minor child of any veteran who would be  
24 entitled to the exemption if living, or who is in receipt of  
a pension or compensation from the Federal Government as the  
26 widow or minor child of a veteran.

28 The estates up to the just value of ~~\$5,000~~ \$7,000, having a  
taxable situs in the place of residence, of the mother of a  
30 deceased veteran who is 62 years of age or older and is an  
unremarried widow who is in receipt of a pension or  
32 compensation from the Federal Government based upon the  
service-connected death of her child.

34 The exemptions provided in this paragraph apply to the  
36 property of an unremarried widow, minor child or mother of a  
deceased veteran, including property held in a revocable  
38 living trust for the benefit of that unremarried widow,  
minor child or mother of a deceased veteran.

40 **Sec. 3. Reimbursement.** Pursuant to the Constitution of  
42 Maine, Article IV, Part Third, Section 23, the Legislature shall  
reimburse municipalities and the unorganized territory for 100%  
44 of the property tax loss attributable to the increase in property  
tax exemptions created by this Act. Municipal claims for  
46 reimbursement and state payments must be made in the same manner  
as provided in the Maine Revised Statutes, Title 36, section 661.

48 **Sec. 4. Appropriation.** The following funds are appropriated  
from the General Fund to carry out the purposes of this Act.

# COMMITTEE AMENDMENT

2002-03

ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF

Veterans Tax Reimbursement

All Other \$1,780,000

Provides funds to reimburse municipalities for 100% of the property tax loss attributable to the cost of increasing the property tax exemption for eligible post-World War I veterans, spouses and dependents to \$7,000.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

2002-03

APPROPRIATIONS/ALLOCATIONS

General Fund \$1,780,000

The Veterans Tax Reimbursement program within the Department of Administrative and Financial Services will require an additional General Fund appropriation of \$1,780,000 in fiscal year 2002-03 for the cost to reimburse municipalities for 100% of the incremental property tax loss attributable to the increase in the property tax exemption for certain veterans, spouses and dependents. The estimated future costs in fiscal years 2003-04 and 2004-05 will be approximately \$1,815,000 and \$1,831,000, respectively.'

SUMMARY

This amendment increases property tax exemptions for eligible post-World War I veterans, spouses and dependents to \$7,000 to equal the exemption for World War I veterans, spouses and dependents. The State is required to reimburse municipalities for 100% of the property tax loss attributable to the expanded exemptions. The amendment also adds a fiscal note to the bill.