

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 26

H.P. 26

House of Representatives, January 4, 2001

An Act to Expand Eligibility for the Veterans' Property Tax Exemption.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MURPHY of Berwick.
Cosponsored by Senator CARPENTER of York and
Representatives: ANNIS of Dover-Foxcroft, DUPREY of Hampden, GLYNN of South
Portland, MacDOUGALL of North Berwick, MATTHEWS of Winslow, PINEAU of Jay,
STANLEY of Medway, TOBIN of Dexter.

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

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

6 C. The estates up to the just value of \$5,000, having a
8 taxable situs in the place of residence, of veterans who
8 served were honorably discharged from active duty in the
Armed Forces of the United States:

10 (1) ~~During any federally recognized war period,~~
12 ~~including the Korean Campaign, the Vietnam War and the~~
14 ~~Persian Gulf War, when~~ When they have reached the age
16 of 62 years or when they are receiving any form of
18 pension or compensation from the United States
20 Government for total disability, service-connected or
22 nonservice-connected, as a veteran, ~~A veteran of the~~
24 ~~Vietnam War must have served on active duty for a~~
26 ~~period of more than 180 days, any part of which~~
28 ~~occurred after February 27, 1961 and before May 8, 1975~~
30 ~~in the case of a veteran who served in the Republic of~~
32 ~~Vietnam and after August 4, 1964 and before May 7, 1975~~
34 ~~in all other cases, unless the veteran died in service~~
36 ~~or was discharged for a service connected disability~~
38 ~~after that date. "Vietnam War" means the period~~
40 ~~between August 5, 1964 and May 7, 1975 and the period~~
42 ~~beginning on February 28, 1961 and ending on May 7,~~
44 ~~1975 in the case of a veteran who served in the~~
46 ~~Republic of Vietnam during that period. "Persian Gulf~~
48 ~~War" means service on active duty on or after August 7,~~
50 ~~1990 and before or on the date that the United States~~
52 ~~Government recognizes as the end of that war period; or~~

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

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

44 **Sec. 2. 36 MRSA §653, sub-§1, ¶F**, as corrected by RR 1991, c.
46 2, §132, is amended to read:

48 F. To be eligible for exemption under this subsection:

2 (1) No exemption may be granted to any person under
this subsection unless the person is a resident of this
State; and

4 (2) Notwithstanding any other provisions of this
6 paragraph, prior to April 1, 1982, any person claiming
an exemption under paragraph C who is receiving any
8 form of pension or compensation from the Federal
Government for total disability, service-connected or
10 nonservice-connected, as a veteran, and any person
claiming an exemption under paragraph C-1, D, D-1, D-2
12 or D-3 is not required to meet the standards specified
in former subparagraphs (1) and (2). Any such person
14 who received an exemption in 1980 is not required to
reapply in 1981. Exemptions granted under this section
16 that are reimbursable pursuant to section 661 are not
considered eligible for reimbursement under paragraph
18 H. Any person whose exemption is reimbursable under
section 661 is, for 1981, entitled to an extension
20 until May 1, 1981 for filing a written application and
written proof of entitlement for exemption with the
22 assessors of the place in which the person resides,
notwithstanding the provisions of paragraph G.
24 Exemptions initially granted under this subsection on
or after April 1, 2002 require a 100% reimbursement to
the municipality for the property tax revenues lost to
that municipality. Exemptions granted on or after
26 April 1, 2002 under this section are not considered
eligible for reimbursement under paragraph H.
Municipal property tax revenues lost as a result of
28 exemptions granted prior to April 1, 2002 are not 100%
reimbursable but may be reimbursable under section 661.

34 **Sec. 3. Notification.** Maine Revenue Services within the
Department of Administrative and Financial Services shall notify
36 by regular mail each municipality of the provisions of this Act
within 60 days after the effective date of this Act.

38 **Sec. 4. Application.** This Act applies to all property tax
40 exemptions granted pursuant to the Maine Revised Statutes, Title
36, section 653, subsection 1, paragraph C on or after April 1,
42 2002. The provisions of this Act governing 100% reimbursement to
a municipality for property tax revenues lost to that
44 municipality under Title 36, section 653, subsection 1, paragraph
C do not apply to property tax exemptions initially granted prior
46 to the effective date of this Act.

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SUMMARY

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4 This bill expands eligibility for the veterans' property tax
exemption and removes from statute eligibility requirements
related to federally recognized periods of war. The bill makes
6 all honorably discharged veterans who are 62 years of age or
older eligible for the veterans' property tax exemption. It also
8 requires the State to reimburse municipalities for 100% of the
property tax revenues lost as a result of the veterans' property
10 tax exemption authorized by this bill. The bill also requires
the Department of Administrative and Financial Services, Maine
12 Revenue Services to notify municipalities of this new exemption
at least 60 days prior to its effective date. The exemption
14 authorized by this bill is effective April 1, 2002.