

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 206

H.P. 165

House of Representatives, January 21, 2003

An Act to Expand the Maine Residents Property Tax Program

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MILLS of Cornville.
Cosponsored by Representative: EDER of Portland.

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

2

Sec. 1. 36 MRSA §683, sub-§1, as enacted by PL 1997, c. 643, Pt. HHH, §3 and affected by §10, is amended to read:

4

6 **1. Exemption amount.** The estate up to the just value of
8 \$7,000 \$3,000 of the homestead of a permanent resident of this
10 State who has owned a homestead in this State for the preceding
12 12 months is exempt from taxation except for assessments for
14 special benefits. In determining the local assessed value of the
16 exemption, the assessor shall multiply the amount of the
18 exemption by the ratio of current just value upon which the
20 assessment is based as furnished in the assessor's annual return
22 pursuant to section 383. If the title to a homestead is held by
the applicant jointly or in common with others, the exemption may
not exceed \$7,000 \$3,000 of the just value of the homestead, but
may be apportioned among the owners who reside on the property to
the extent of their respective interests. A municipality
responsible for administering the homestead exemption has no
obligation to create separate accounts for each partial interest
in a homestead owned jointly or in common.

22

Sec. 2. 36 MRSA §6201, sub-§11-A, as amended by PL 1999, c. 401, Pt. R, §1 and affected by §2, is further amended to read:

24

26 **11-A. Rent constituting property taxes accrued for
28 nonelderly household.** "Rent constituting property taxes accrued
30 for nonelderly household" means ~~18%~~ 20% of the gross rent
32 actually paid in cash or its equivalent in any tax year by a
34 claimant and the claimant's household solely for the right of
occupancy of their Maine homestead in the tax year and which rent
constitutes the basis, in the succeeding calendar year, of a
claim for relief under this chapter by the claimant.

34

Sec. 3. 36 MRSA §6207, as amended by PL 1999, c. 494, §1, is
further amended to read:

36

§6207. Benefits for nonelderly households

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40 A claimant representing a nonelderly household qualifies for
42 the following benefits subject to the following income
limitations.

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42

44 **1. Benefit calculation.** For claimants representing a
46 nonelderly household, the benefit is calculated as follows:

44

46

A-1. ~~Fifty~~ Eighty percent of that portion of the benefit
base that exceeds 4% ~~but does not exceed 8% of income plus~~
~~100% of that portion of the benefit base that exceeds 8%~~ of
income to a maximum payment of \$1,000 \$3,000.

48

50

2 ~~2. Income eligibility. Single member households with~~
household incomes in excess of \$25,700 and households with 2 or
4 ~~more members with a household income in excess of \$40,000 are not~~
~~eligible for a benefit.~~
6

8 **3. Subsidized housing; special needs payment.** A claim may
not be granted under this section to claimants:

10 A. Whose housing costs for the year for which relief is
12 requested were subsidized by government programs that limit
housing costs to a percentage of household income, except
14 that the exclusion provided by this paragraph does not apply
to persons receiving social security disability or
16 supplemental security income disability benefits.

18 **4. Minimum benefit.** A claim of less than \$10 may not be
granted.

20 **Sec. 4. 36 MRSA §6209**, as amended by PL 1989, c. 508, §25, is
22 further amended to read:

24 **§6209. Annual adjustment**

26 **1. Household limitation adjustment.** Beginning March 1,
1989, and annually thereafter, the State Tax Assessor shall
28 determine the household income eligibility adjustment factor.
That factor shall must be multiplied by the income limitations in
30 section 6206, applicable for the year prior to that for which
relief is requested. The result shall must be rounded to the
32 nearest \$100 and shall apply applies to the year for which relief
is requested corresponding to the year on which the annualized
34 cost of living adjustments were based. ~~Beginning March 1, 1991,~~
~~the same procedure shall be employed to adjust the income~~
~~limitation in section 6207, subsection 2.~~
36

38 **SUMMARY**

40
42 This bill provides expanded property tax relief for the
homestead property of persons with a high property tax burden by
44 expanding the Maine Residents Property Tax Program to provide
benefits equal to 80% of the property taxes for a homestead that
46 exceed 4% of the taxpayer's income. The amount of rent
constituting property taxes accrued for nonelderly households is
48 increased from 18% to 20%. The income eligibility requirements
are repealed. The cost of expanding the Maine Residents Property
Tax Program is compensated for by decreasing the Maine resident
50 homestead property tax exemption from \$7,000 to \$3,000.