

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 266

S.P. 100

In Senate, January 23, 2003

An Act To Provide Meaningful Property Tax Relief

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BROMLEY of Cumberland.
Cosponsored by Representative BLISS of South Portland and
Senators: DAMON of Hancock, EDMONDS of Cumberland, LEMONT of York,
STRIMLING of Cumberland, Representative: SUSLOVIC of Portland.

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

2 **Sec. 1. 36 MRSA §383, sub-§4, ¶¶A and B**, as enacted by PL 2001,
4 c. 32, §1, are amended to read:

6 A. Maine Tree Growth Tax Law, section 578; and

8 B. Veterans' property tax exemptions, section 653; ~~and.~~

10 **Sec. 2. 36 MRSA §383, sub-§4, ¶C**, as enacted by PL 2001, c.
12 32, §1, is repealed.

14 **Sec. 3. 36 MRSA §507, first ¶**, as amended by PL 1997, c. 643,
Pt. HHH, §2 and affected by §10, is further amended to read:

16 When a municipality issues a property tax bill to each
18 taxpayer, each bill must contain a statement or calculation that
demonstrates the amount or percentage by which the taxpayer's tax
20 has been reduced by the distribution of state-municipal revenue
sharing, ~~state reimbursement for the Maine resident homestead~~
22 ~~property tax exemption~~ and state aid for education. The property
tax bill must contain a statement of the assessed value of a
24 homestead, ~~before and after the calculation of a Maine resident~~
~~homestead property tax exemption~~, and the amount of the exemption
applied to the homestead. The State Tax Assessor shall annually
26 provide each municipality with the amount of state-municipal
revenue sharing and state aid for education subject to
28 identification under this section.

30 **Sec. 4. 36 MRSA c. 105, sub-c. 4-B**, as amended, is repealed.

32 **Sec. 5. 36 MRSA §6201, sub-§11-A**, as amended by PL 1999, c.
34 401, Pt. R, §1 and affected by §2, is further amended to read:

36 **11-A. Rent constituting property taxes accrued for**
nonelderly household. "Rent constituting property taxes accrued
38 for nonelderly household" means 18% 20% of the gross rent
actually paid in cash or its equivalent in any tax year by a
40 claimant and the claimant's household solely for the right of
occupancy of their Maine homestead in the tax year and which rent
42 constitutes the basis, in the succeeding calendar year, of a
claim for relief under this chapter by the claimant.

44 **Sec. 6. 36 MRSA §6207, sub-§1, ¶A-1**, as amended by PL 1997, c.
46 557, Pt. A, §3 and affected by Pt. G, §1, is further amended to
read:

48 A-1. Fifty percent of that portion of the benefit base that
exceeds -4% 3% but does not exceed 8% 6% of income plus 100%

2 of that portion of the benefit base that exceeds ~~8%~~ 6% of
income to a maximum payment of ~~\$1,000~~ \$3,000.

4 **Sec. 7. 36 MRSA §6207, sub-§2**, as amended by PL 1997, c. 557,
Pt. A, §3 and affected by Pt. G, §1, is further amended to read:

6
8 **2. Income eligibility.** Single-member households with
household incomes in excess of ~~\$25,700~~ \$40,000 and households
with 2 or more members with a household income in excess of
10 ~~\$40,000~~ \$60,000 are not eligible for a benefit.

12 SUMMARY

14 This bill does the following:

16
18 1. It repeals the Maine resident homestead property tax
exemption and instead expands the Maine Residents Property Tax
Program, commonly known as the "circuit breaker" program;

20
22 2. It increases the benefits for renters under the Maine
Residents Property Tax Program by increasing the percentage of
rent constituting property taxes from 18% to 20% of rent paid;

24
26 3. It expands the circuit breaker program by reducing the
income tax thresholds from 4% and 8% to 3% and 6%, respectively,
and by increasing the maximum benefit payment from \$1,000 to
28 \$3,000; and

30
32 4. It expands the circuit breaker program by increasing the
income thresholds from \$25,700 for singles and \$40,000 for joint
filers to \$40,000 and \$60,000, respectively.