

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1421

S.P. 471

In Senate, March 25, 2003

### An Act To Reduce Property Taxes

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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 BRENNAN of Cumberland.  
Cosponsored by Senator: STRIMLING of Cumberland, Representatives: CUMMINGS of  
Portland, SUSLOVIC of Portland.

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

4 **PART A**

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

8 **1. Exemption amount.** The estate up to the just value of  
10 \$7,000 ~~\$20,000~~ of the homestead of a permanent resident of this  
12 State who has owned a homestead in this State for the preceding  
14 12 months is exempt from taxation except for assessments for  
16 special benefits. In determining the local assessed value of the  
18 exemption, the assessor shall multiply the amount of the  
20 exemption by the ratio of current just value upon which the  
22 assessment is based as furnished in the assessor's annual return  
24 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 ~~\$20,000~~ 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.

26 **Sec. A-2. 36 MRSA §1811, first ¶**, as amended by PL 2001, c. 439, Pt. TTTT, §2 and affected by §3, is further amended to read:

28 A tax is imposed on the value of all tangible personal  
30 property and taxable services sold at retail in this State. The  
32 rate of tax is 7% on the value of liquor sold in licensed  
34 establishments as defined in Title 28-A, section 2, subsection  
36 15, in accordance with Title 28-A, chapter 43; 7% on the value of  
rental of living quarters in any hotel, rooming house or tourist  
or trailer camp; 10% on the value of rental for a period of less  
than one year of an automobile; 7% on the value of prepared food;  
and ~~5%~~ 6% on the value of all other tangible personal property  
and taxable services. Value is measured by the sale price,  
except as otherwise provided.

40 **Sec. A-3. Distribution of revenue.** The Legislature shall ensure  
42 that 50% of the revenues raised by section 2 of this Part are  
44 used to fund the increase in the homestead tax exemption enacted  
46 by section 1 of this Part and that the remaining 50% of those new  
revenues are dedicated to general purpose aid for local schools.  
Funds dedicated for general purpose aid for local schools must be  
in addition to funds otherwise appropriated by the Legislature  
for that purpose.

48 **PART B**

