

MAINE STATE LEGISLATURE

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Rolls

L.D. 1797

DATE: 3-28-06

(Filing No. S-532)

TAXATION

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STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 714, L.D. 1797, Bill, "An Act To Clarify the Qualifications for the Maine Residents Property Tax Program"

Amend the bill by striking out all of the emergency preamble.

Further amend the bill by striking out all of section 1 and inserting in its place the following:

Sec. 1. 36 MRSA §6201, sub-§1, as amended by PL 2005, c. 2, Pt. E, §1 and affected by §§7 and 8, is further amended to read:

1. Benefit base. "Benefit base" means property taxes accrued or rent constituting property taxes accrued. In the case of a claimant paying both rent and property taxes for a homestead, benefit base means both property taxes accrued and rent constituting property taxes accrued. When calculating the benefit base when a homestead was rented out for not more than 31 days in the aggregate, property taxes accrued and rent constituting property taxes accrued must be adjusted to exclude a percentage of the property taxes accrued or rent constituting property taxes accrued that is equal to the percentage of the year during which the homestead was rented out by the claimant. The benefit base may not exceed \$3,000 for single-member households and \$4,000 for households with 2 or more members.

Sec. 2. 36 MRSA §6201, sub-§2, as amended by PL 2001, c. 396, §40, is repealed and the following enacted in its place:

2. Claimant. "Claimant" means an individual who:

A. Has filed a claim under this chapter;

R.O.S.

2 B. Was domiciled in this State during the entire year for
which relief is requested; and

4 C. Owned or otherwise maintained a homestead in this State
during the entire year for which relief is requested,
6 occupied that homestead for at least 6 months during that
year and did not rent out that homestead for more than 31
8 days in the aggregate during that year.

10 Regardless of how many names of individuals appear on the
property deed, the person who meets the qualifications described
12 in this subsection and proves sole responsibility for the payment
of the property taxes on the subject property is the claimant
14 with respect to that property. If 2 or more individuals meet the
qualifications in this subsection and share the payment of rent
16 or responsibility for the payment of property taxes, each
individual may apply on the basis of the rent paid or the
18 property taxes levied on the homestead that reflect the ownership
percentage of the claimant and the claimant's household. If 2 or
20 more individuals claim the same property, the matter must be
referred to the State Tax Assessor, whose decision is final.

22 Ownership of a homestead under this chapter may be by fee, by
24 life tenancy, by bond for deed, as mortgagee or by any other
possessory interest in which the owner is personally responsible
26 for the tax for which a refund is claimed.

28 **Sec. 3. Application.** This Act applies to applications for
benefits filed on or after August 1, 2006.

30 **Sec. 4. Appropriations and allocations.** The following
32 appropriations and allocations are made.

34 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

36 **Maine Revenue Services 0002**

38 Initiative: Provides one-time funds for the computer programming
costs associated with the change in the circuit breaker program.

40	GENERAL FUND	2005-06	2006-07
42	All Other	\$0	\$10,000
44	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$10,000'</u>

46 Further amend the bill by striking out all of the emergency
48 clause.

50

R.O.S.

SUMMARY

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This amendment clarifies the language allowing certain homeowners who rent their homesteads for up to 31 days in the aggregate during the year to qualify for benefits under the Maine Residents Property Tax Program and prorates benefits to reflect the rental period. The amendment provides that the new language applies to applications filed on or after August 1, 2006, which is the beginning of the next application period. The amendment also removes emergency provisions and reorganizes language for greater clarity. It also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 1797

LR 2666(02)

An Act To Clarify the Qualifications for the Maine Residents Property Tax Program

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$521,076	\$525,854	\$541,629
Appropriations/Allocations				
General Fund	\$0	\$10,000	\$0	\$0
Revenue				
General Fund	\$0	(\$511,076)	(\$525,854)	(\$541,629)
Other Special Revenue Funds	\$0	(\$27,466)	(\$28,844)	(\$29,710)

Fiscal Detail and Notes

The expansion of the Maine Residents Property Tax Program will reduce income tax collections by an estimated \$538,542 in fiscal year 2006-07, resulting in a General Fund revenue loss of \$511,076. This bill includes a General Fund appropriation of \$10,000 in fiscal year 2006-07 for Maine Revenue Services' computer programming costs.