

MAINE STATE LEGISLATURE

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No. 1096

H.P. 814

House of Representatives, March 6, 2007

An Act To Make Circuitbreaker Program Benefits Proportional If a Resident Moves

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PRESCOTT of Topsham.
Cosponsored by Senator COURTNEY of York and
Representatives: AUSTIN of Gray, BEAUDETTE of Biddeford, BEAULIEU of Auburn,
CLEARY of Houlton, MacDONALD of Boothbay, PRIEST of Brunswick, SILSBY of
Augusta, SMITH of Monmouth.

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

2 **Sec. 1. 36 MRSA §6201, sub-§2,** as amended by PL 2001, c. 396, §40, is
3 repealed and the following enacted in its place:

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

5 A. Has filed a claim under this chapter;

6 B. Was domiciled in this State during the entire calendar year preceding the year in
7 which a claim for relief under this chapter is filed; and

8 C. Occupied a homestead in this State for at least 6 months during that calendar year.

9 Regardless of how many names of individuals appear on the property deed, the person
10 who meets the qualifications described in paragraphs A to C and proves sole
11 responsibility for the payment of the property taxes on the subject property is the claimant
12 with respect to that property. If 2 or more individuals meet the qualifications in
13 paragraphs A to C and share the payment of the rent or the responsibility for the payment
14 of the property taxes, each individual may apply on the basis of the rent paid or the
15 property taxes levied on the homestead that reflect the ownership percentage of the
16 claimant and the claimant's household.

17 If 2 or more individuals claim the same property, the matter must be referred to the State
18 Tax Assessor, whose decision is final. Ownership of a homestead under this chapter may
19 be by fee, by life tenancy, by bond for deed, as mortgagee or any other possessory
20 interest in which the owner is personally responsible for the tax for which a refund is
21 claimed.

22 **Sec. 2. 36 MRSA §6201, sub-§10,** as amended by PL 1997, c. 504, §20, is
23 further amended to read:

24 **10. Property taxes accrued.** "Property taxes accrued" means property taxes
25 exclusive of special assessment, delinquent interest and charges for service levied on a
26 claimant's homestead in this State as of April 1, 1972, or any tax year thereafter. If a
27 homestead is owned by 2 or more persons or entities as joint tenants or tenants in
28 common, and one or more persons or entities are not members of the claimant's
29 household, "property taxes accrued" is that part of property taxes levied on the homestead
30 that reflects the ownership percentage of the claimant and the claimant's household. If a
31 claimant and spouse own their homestead for part of the year for which relief is requested
32 and rent it or a different homestead for part of the same tax year, "property taxes accrued"
33 means taxes levied on the homestead on April 1st, multiplied by the percentage of 12
34 months that the property was owned and occupied by the household as its homestead
35 during the year for which relief is requested. If a claimant owns a homestead for at least
36 6 months but less than 12 months of the year for which relief is requested, "property taxes
37 accrued" means taxes levied on the homestead on April 1st, multiplied by the percentage
38 of 12 months that the property was owned and occupied by the claimant as the claimant's
39 homestead during the year for which relief is requested. When a household owns and
40 occupies 2 or more different homesteads in this State in the same tax year, property taxes
41 accrued relate only to the property taxes owed for the time that property was occupied by

1 the household as a homestead ~~on April 1st~~, multiplied by the percentage of 12 months
2 that each property was owned and occupied by the claimant as the claimant's homestead
3 during the year for which relief is requested. If a homestead is an integral part of a larger
4 unit such as a farm, or a multipurpose or multidwelling building, property taxes accrued
5 are that percentage of the total property taxes accrued that the value of the homestead is
6 of the total value, except that property taxes accrued do not include any portion of taxes
7 claimed as a business expense for federal income tax purposes. For purposes of this
8 chapter, "unit" refers to the parcel of property separately assessed of which the homestead
9 is a part.

10 **Sec. 3. Application.** This Act applies to claims for benefits under the Maine
11 Residents Property Tax Program filed on or after August 1, 2007.

12 SUMMARY

13 Under the Maine Residents Property Tax Program, also referred to as the
14 Circuitbreaker Program, in order to qualify for a rent or property tax refund, the person
15 must own or rent a homestead for the entire calendar year prior to the year for which the
16 claim is made and be a Maine resident for that entire year. A person who owns or rents a
17 homestead for less than a year is ineligible for benefits. If a person owns more than one
18 homestead during the calendar year, only taxes paid on the homestead occupied as of
19 April 1st of that year are eligible for reimbursement.

20 This bill allows a person who owns or rents a homestead for at least 6 months of the
21 prior calendar year to obtain a portion of benefits under the Circuitbreaker Program based
22 on the number of months the person occupied the homestead. This bill maintains the
23 current requirement that the person be a resident of Maine for the entire prior year.

24 This bill also allows a person who owns and occupies more than one homestead
25 during the year to be reimbursed for taxes owed for the time during which the person
26 occupied each homestead. This reimbursement is determined by dividing by 12 months
27 the property tax owed on each homestead during the year for which the claim is filed and
28 multiplying that number by the number of months the property was occupied by the
29 person as a homestead during that year.