

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1483

H.P. 1045

House of Representatives, March 19, 2007

### **An Act To Exempt a Portion of Rental Income from Taxation**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative MacDONALD of Boothbay.  
Cosponsored by Representative: SAMSON of Auburn.

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

2 **Sec. 1. 36 MRSA §5122, sub-§2, ¶Y** is enacted to read:

3 Y. For income tax years beginning on or after January 1, 2007, to the extent included  
4 in federal adjusted gross income and not otherwise removed from Maine taxable  
5 income, an amount up to \$2,000 of income received from the rental of living quarters  
6 in a secondary property. For purposes of this paragraph, the following terms have the  
7 following meanings:

8 (1) "Living quarters" means sleeping rooms, sleeping or housekeeping  
9 accommodations and tent or trailer space; and

10 (2) "Secondary property" means:

11 (a) A house, cottage, condominium unit, vacation home, boat, vehicle or  
12 other structure or any place or location kept, used, maintained, advertised or  
13 held out to the public to be a place where living quarters are supplied for pay  
14 to transient or permanent guests or tenants, whether in one or adjoining  
15 buildings; and

16 (b) Property that is not the homestead of a resident of this State.

17 This paragraph does not apply to a person who owns and offers for rental more than  
18 one property in the State during the calendar year.

19 **Sec. 2. Application.** This Act applies to income tax years beginning on or after  
20 January 1, 2007.

21 **SUMMARY**

22 This bill exempts from income tax up to \$2,000 in income from the rental of the  
23 second home of a resident of this State. This exemption does not apply to a person who  
24 rents out more than one property during the calendar year.