

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 1972

S.P. 766

December 18, 2007

An Act To Provide Property Tax Relief

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 18, 2007. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 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 BARTLETT of Cumberland.

Cosponsored by Representative PINGREE of North Haven and Senators: President EDMONDS of Cumberland, MARRACHÉ of Kennebec, MARTIN of Aroostook, MITCHELL of Kennebec, PERRY of Penobscot, Representatives: BERRY of Bowdoinham, Speaker CUMMINGS of Portland, FAIRCLOTH of Bangor.

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

2 **Sec. 1. 36 MRSA §5219-BB** is enacted to read:

3 **§5219-BB. Credit for property taxes paid on homestead**

4 Beginning with tax years beginning on or after January 1, 2008, a taxpayer is allowed
5 a refundable credit against the taxes imposed by this Part in an amount equal to 25% of
6 the property taxes paid for that tax year on that taxpayer's homestead in this State, up to a
7 maximum credit of \$500 each year. For purposes of this section, "homestead" has the
8 same meaning as in section 6201, subsection 5.

9 **Sec. 2. 36 MRSA §6201, sub-§10**, as amended by PL 2007, c. 325, §1, is further
10 amended to read:

11 **10. Property taxes accrued.** "Property taxes accrued" means property taxes
12 exclusive of special assessment, delinquent interest and charges for service levied on a
13 claimant's homestead in this State as of April 1, 1972, or any tax year thereafter. If a
14 homestead is owned by 2 or more persons or entities as joint tenants or tenants in
15 common, and one or more persons or entities are not members of the claimant's
16 household, "property taxes accrued" is that part of property taxes levied on the homestead
17 that reflects the ownership percentage of the claimant and the claimant's household. If a
18 claimant and spouse own their homestead for part of the year for which relief is requested
19 and rent it or a different homestead for part of the same tax year, "property taxes accrued"
20 means taxes levied on the homestead on April 1st, multiplied by the percentage of 12
21 months that the property was owned and occupied by the household as its homestead
22 during the year for which relief is requested. When a household owns and occupies 2 or
23 more different homesteads in this State in the same calendar year, property taxes accrued
24 relate only to the total of the property taxes owed for the time that each property was
25 occupied by the household as a homestead. To calculate the amount attributable to each
26 property, the April 1st assessment on each homestead is multiplied by the percentage of
27 12 months that each property was owned and occupied by the claimant as the claimant's
28 homestead during the year for which relief is requested. If a homestead is an integral part
29 of a larger unit such as a farm, or a multipurpose or multidwelling building, property
30 taxes accrued are that percentage of the total property taxes accrued that the value of the
31 homestead is of the total value, except that property taxes accrued do not include any
32 portion of taxes claimed as a business expense for federal income tax purposes. For
33 purposes of this chapter, "unit" refers to the parcel of property separately assessed of
34 which the homestead is a part. "Property taxes accrued" does not include any amount
35 claimed as a credit pursuant to section 5219-BB.

36 **SUMMARY**

37 This bill provides a refundable tax credit for 25% of the property tax paid on a
38 person's primary residence, up to a maximum credit of \$500 per year. If a person also
39 applies for benefits under the Circuitbreaker Program, the amount of property taxes
40 claimed under the Circuitbreaker Program must be reduced by the amount of the credit.