

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2099

H.P. 1485

House of Representatives, December 27, 2007

An Act To Provide Property and Excise Tax Relief to Disabled Maine Veterans

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

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WHEELER of Kittery.
Cosponsored by Senator BOWMAN of York and
Representatives: CAMPBELL of Newfield, FAIRCLOTH of Bangor, FISHER of Brewer,
HILL of York, KOFFMAN of Bar Harbor, PINGREE of North Haven, Senators: BRYANT of
Oxford, MITCHELL of Kennebec.

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

2 **Sec. 1. 36 MRSA §653, sub-§1, ¶C**, as amended by PL 2007, c. 240, Pt. PPPP,
3 §1, is further amended to read:

4 C. The estates up to the just value of \$6,000, having a taxable situs in the place of
5 residence, of veterans who served in the Armed Forces of the United States:

6 (1) During any federally recognized war period, including the Korean Campaign,
7 the Vietnam War, the Persian Gulf War and the periods from August 24, 1982 to
8 July 31, 1984 and December 20, 1989 to January 31, 1990, or who were awarded
9 the Armed Forces Expeditionary Medal, when they have reached the age of 62
10 years or when they are receiving any form of pension or compensation from the
11 United States Government for total nonservice-connected disability, ~~service-~~
12 ~~connected or nonservice-connected~~, as a veteran. A veteran of the Vietnam War
13 must have served on active duty for a period of more than 180 days, any part of
14 which occurred after February 27, 1961 and before May 8, 1975 unless the
15 veteran died in service or was discharged for a ~~service-connected~~ total
16 nonservice-connected disability after that date. "Persian Gulf War" means
17 service on active duty on or after August 2, 1990 and before or on the date that
18 the United States Government recognizes as the end of that war period; ~~or,~~

19 ~~(2) Who are disabled by injury or disease incurred or aggravated during active~~
20 ~~military service in the line of duty and are receiving any form of pension or~~
21 ~~compensation from the United States Government for total, service-connected~~
22 ~~disability.~~

23 The exemptions provided in this paragraph apply to the property of that veteran,
24 including property held in joint tenancy with that veteran's spouse or held in a
25 revocable living trust for the benefit of that veteran.

26 **Sec. 2. 36 MRSA §653, sub-§1, ¶C-2** is enacted to read:

27 C-2. The estates, having a taxable situs in the place of residence, of veterans who
28 served in the Armed Forces of the United States who are permanently and totally
29 disabled by injury or disease incurred or aggravated during active military service in
30 the line of duty or who are receiving any form of pension or compensation from the
31 United States Government for total and permanent service-connected disability.

32 The exemption provided in this paragraph is in lieu of any exemption under
33 paragraph C, C-1 or D for which the veteran may be eligible and applies to the
34 property of that veteran, including property held in joint tenancy with that veteran's
35 spouse or held in a revocable living trust for the benefit of that veteran.

36 **Sec. 3. 36 MRSA §653, sub-§1, ¶D-1**, as amended by PL 2007, c. 437, §7 and
37 affected by §22, is further amended to read:

38 D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of
39 residence, for specially adapted housing units, of the unremarried widows or
40 widowers of veterans who served in the Armed Forces of the United States during
41 any federally recognized war period, including the Korean Campaign, the Vietnam

1 War, the Persian Gulf War and the periods from August 24, 1982 to July 31, 1984
2 and December 20, 1989 to January 31, 1990, or who were awarded the Armed Forces
3 Expeditionary Medal, and who ~~are~~ were paraplegic veterans within the meaning of 38
4 United States Code, Chapter 21, Section 2101, and who received a grant from the
5 United States Government for any such housing, ~~or of the unremarried widows or~~
6 ~~widowers of those veterans.~~ A veteran of the Vietnam War must have served on
7 active duty for a period of more than 180 days, any part of which occurred after
8 February 27, 1961 and before May 8, 1975, unless the veteran died in service or was
9 discharged for a service-connected disability after that date. "Persian Gulf War"
10 means service on active duty on or after August 2, 1990 and before or on the date that
11 the United States Government recognizes as the end of that war period. The
12 exemption provided in this paragraph applies to the property of the veteran including
13 property held in joint tenancy with a spouse or held in a revocable living trust for the
14 benefit of that veteran.

15 **Sec. 4. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2001, c. 671, §32, is
16 further amended to read:

17 C. For the privilege of operating a motor vehicle or camper trailer on the public
18 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so
19 operated is subject to excise tax as follows, except as specified in subparagraph (3): a
20 sum equal to 24 mills on each dollar of the maker's list price for the first or current
21 year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for
22 the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years.
23 The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached,
24 \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent
25 trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

26 (1) On new registrations of automobiles, trucks and truck tractors, the excise tax
27 payment must be made prior to registration and is for a one-year period from the
28 date of registration.

29 (2) Vehicles registered under the International Registration Plan are subject to
30 an excise tax determined on a monthly proration basis if their registration period
31 is less than 12 months.

32 (3) For commercial vehicles manufactured in model year 1996 and after, the
33 amount of excise tax due for trucks or truck tractors registered for more than
34 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-
35 A, section 101, subsection 70, is based on the purchase price in the original year
36 of title rather than on the list price. Verification of purchase price for the
37 application of excise tax is determined by the initial bill of sale or the state sales
38 tax document provided at point of purchase. The initial bill of sale is that issued
39 by the dealer to the initial purchaser of a new vehicle.

40 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1,
41 paragraph C, the excise tax must be prorated for the number of months in the
42 registration.

43 Beginning January 1, 2009, veterans who served in the Armed Forces of the United
44 States who are permanently and totally disabled by injury or disease incurred or

1 aggravated during active military service in the line of duty or who are receiving any
2 form of pension or compensation from the United States Government for total and
3 permanent service-connected disability are exempt from the provisions of this
4 paragraph.

5 **Sec. 5. Application.** Those sections of this Act that amend the Maine Revised
6 Statutes, Title 36, section 653, subsection 1, paragraphs C and D and enact Title 36,
7 section 653, subsection 1, paragraph C-2 apply to property tax years beginning on or after
8 April 1, 2009.

9 SUMMARY

10 Current law provides an exemption from property tax for the first \$6,000 of value of
11 property owned by a veteran who served in the Armed Forces of the United States during
12 a federally recognized war period and is either 62 years of age or receiving compensation
13 from the United States for total disability, either service- or nonservice-connected, as a
14 veteran. A veteran who received a grant from the United States for specially adapted
15 housing units is eligible for an exemption from property tax for the first \$50,000 of value
16 of the specially adapted housing unit. The exemption also applies to the unremarried
17 widow or widower of the veteran.

18 This bill distinguishes between nonservice-connected disability and service-
19 connected disability for purposes of the amount of the property tax exemption, providing
20 a full property tax exemption for those veterans who served during a federally recognized
21 war period and are permanently and totally disabled as a result of that service; the \$6,000
22 exemption for veterans 62 years of age or older is continued. Since the \$50,000
23 exemption for specially adapted housing would be included in the new exemption, the
24 \$50,000 exemption is continued only for the unremarried widow or widower of a
25 qualified veteran.

26 This bill also provides, beginning January 1, 2009, a full exemption from the motor
27 vehicle excise tax for veterans who served in the Armed Forces of the United States and
28 are permanently and totally disabled as a result of that service.