

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 166

H.P. 145

House of Representatives, January 20, 2009

**An Act To Exempt Persons 65 Years of Age or Older with Income
below the Poverty Line from Property Taxes on Their Homes**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BEAUDOIN of Biddeford.
Cosponsored by Senator CRAVEN of Androscoggin and
Representatives: BOLAND of Sanford, HOGAN of Old Orchard Beach, JONES of Mount
Vernon, LAJOIE of Lewiston, LEGG of Kennebunk, MORRISON of South Portland, SIROIS
of Turner, WRIGHT of Berwick.

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

2 **Sec. 1. 36 MRSA §654, sub-§1, ¶E**, as amended by PL 2003, c. 686, §1, is
3 further amended to read:

4 E. The residential real estate up to the just value of \$4,000 of inhabitants of Maine
5 who are legally blind as determined by a properly licensed Doctor of Medicine,
6 Doctor of Osteopathy or Doctor of Optometry. The exemption provided by this
7 paragraph also applies to residential real estate held in a revocable living trust for the
8 benefit of and occupied as a permanent residence by such a person; ~~and~~

9 **Sec. 2. 36 MRSA §654, sub-§1, ¶F**, as amended by PL 1975, c. 770, §202, is
10 further amended to read:

11 F. ~~No property~~ Property conveyed to any person for the purpose of obtaining
12 exemption from taxation under paragraph E ~~shall be so~~ is not exempt, and the
13 obtaining of such an exemption by means of fraudulent conveyance ~~shall must~~ be
14 punished by a fine of not less than \$100 and not more than 2 times the amount of the
15 taxes evaded by ~~such the~~ the fraudulent conveyance, whichever amount is greater. In
16 case any person entitled to such an exemption has property taxable in more than one
17 place in the State, ~~such the~~ the proportion of ~~such the~~ the total exemption ~~shall must~~ be made
18 in each place as the value of the property taxable in ~~such each~~ each place bears to the value
19 of the whole of the property of ~~such the~~ the person taxable in the State; and

20 **Sec. 3. 36 MRSA §654, sub-§1, ¶G** is enacted to read:

21 G. The homestead, as defined in section 681, subsection 2, of a person who is 65
22 years of age or older who occupies that homestead for at least 8 months each year and
23 whose annual income is below the poverty thresholds for persons 65 years of age or
24 older most recently established by the United States Department of Commerce,
25 Bureau of the Census.

26 **Sec. 4. Rulemaking.** The Department of Administrative and Financial Services,
27 Bureau of Revenue Services shall adopt major substantive rules pursuant to the Maine
28 Revised Statutes, Title 5, chapter 375, subchapter 2-A to implement the provisions of this
29 Act. In developing rules, the bureau must use the provisions of the homestead property
30 tax exemption, as set out in Title 36, chapter 105, subchapter 4-B, for guidance regarding
31 the application, reimbursement and reporting process.

32 **SUMMARY**

33 This bill provides an exemption from residential property taxes for the home and
34 accompanying residential real property of a person who is 65 years of age or older and
35 whose annual income is below poverty thresholds as long as the person occupies that
36 home at least 8 months each year. This bill requires the Department of Administrative
37 and Financial Services, Bureau of Revenue Services to adopt major substantive rules to
38 administer the program based on the Maine resident homestead property tax exemption
39 program.