

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1351

H.P. 992

House of Representatives, March 29, 2011

**An Act To Improve and Simplify the Application for Benefits under
the Circuitbreaker Program**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative STUCKEY of Portland.
Cosponsored by Senator ALFOND of Cumberland and
Representatives: BERRY of Bowdoinham, BRYANT of Windham, FLEMINGS of Bar
Harbor, GOODE of Bangor, MAZUREK of Rockland, Senator: PATRICK of Oxford.

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

2 **Sec. 1. 36 MRSA §6201, sub-§5**, as amended by PL 1995, c. 368, Pt. CCC, §7
3 and affected by §11, is further amended to read:

4 **5. Homestead.** "Homestead" means the dwelling owned or rented by the claimant or
5 held in a revocable living trust for the benefit of the claimant and occupied by the
6 claimant and the claimant's dependents as a home, and may consist of a part of a
7 multidwelling or multipurpose building and a part of the land, ~~up to 10 acres~~, upon which
8 it is built. "Owned" includes a vendee in possession under a land contract and of one or
9 more joint tenants or tenants in common.

10 **Sec. 2. 36 MRSA §6201, sub-§7**, as enacted by PL 1987, c. 516, §§3 and 6, is
11 amended to read:

12 **7. Household income.** "Household income" means all income received by all
13 persons of a household in a calendar year while members of the household, excluding the
14 income of members of the household for whom the claimant under this chapter is entitled
15 to claim an exemption as a dependent under Part 8 for the year for which relief is
16 requested.

17 **Sec. 3. 36 MRSA §6201, sub-§9**, as repealed and replaced by PL 2007, c. 438,
18 §113, is amended to read:

19 **9. Income.** "Income" means Maine adjusted gross income determined in accordance
20 with Part 8, modified as provided by this subsection.

21 A. Maine adjusted gross income must be increased by the following amounts, to the
22 extent not included in Maine adjusted gross income:

23 (1) Contributions, including catch-up contributions, to any pension, annuity or
24 retirement plan, including contributions to an individual retirement account under
25 Section 408 of the Code, a simplified employee pension plan, a salary reduction
26 simplified employee pension plan, a savings incentive match plan for employees
27 plan and a deferred compensation plan under Section 457 of the Code and cash or
28 deferred arrangements under Section 401 of the Code and qualified, or "Keogh,"
29 accounts;

30 ~~(2) Nontaxable contributions to a flexible spending arrangement under Section~~
31 ~~125 of the Code;~~

32 ~~(3) Amounts excluded from gross income under Section 129 of the Code;~~

33 (4) Distributions from a ROTH IRA;

34 (5) Capital gains;

35 (6) The absolute value of the amount of trade or business loss, net operating loss
36 carry-over, capital loss, rental loss, farm loss, partnership or S Corporation loss
37 included in Maine adjusted gross income;

38 ~~(7) Inheritance;~~

- 1 ~~(8) Life insurance proceeds paid on death of an insured;~~
- 2 ~~(9) Nontaxable lawsuit rewards resulting from lawsuits for actions such as~~
- 3 ~~slander, libel and pain and suffering, excluding reimbursements such as medical~~
- 4 ~~and legal expenses associated with the case;~~
- 5 (10) Support money;
- 6 ~~(11) Nontaxable strike benefits;~~
- 7 (12) The gross amount of any pension or annuity, including railroad retirement
- 8 benefits;
- 9 (13) All payments received under the federal Social Security Act and state
- 10 unemployment insurance laws;
- 11 (14) Veterans' disability pensions;
- 12 (15) Nontaxable interest received from the Federal Government or any of its
- 13 agencies or instrumentalities;
- 14 (16) Interest or dividends on obligations or securities of this State and its political
- 15 subdivisions and authorities;
- 16 (17) Workers' compensation and the gross amount of "loss of time" insurance;
- 17 ~~and~~
- 18 (18) Cash public assistance and relief, but not including relief granted under this
- 19 chapter; and
- 20 (19) The total nontaxable portion of the following items of income, determined as
- 21 if a federal income tax return were required, but only if the total of all of the
- 22 following income items exceeds \$5,000:
- 23 (a) Jury duty payments;
- 24 (b) Awards;
- 25 (c) Lawsuit awards resulting from lawsuits for actions such as slander, libel
- 26 and pain and suffering, excluding reimbursements such as medical and legal
- 27 expenses associated with the case;
- 28 (d) Strike benefits; and
- 29 (e) Life insurance proceeds paid on death of an insured.
- 30 B. Maine adjusted gross income must be decreased by the following amounts, to the
- 31 extent included in Maine adjusted gross income:
- 32 ~~(1) The first \$5,000 of proceeds from a life insurance policy, whether paid in a~~
- 33 ~~lump sum or in the form of an annuity;~~
- 34 (2) A rollover from an individual retirement account, pension or annuity fund or
- 35 plan to an individual retirement account, pension or annuity fund or plan;
- 36 (3) Gifts from nongovernmental sources; and
- 37 (4) Surplus foods or other relief in kind supplied by a governmental agency.

1 **Sec. 4. 36 MRSA §6203-A**, as amended by PL 2009, c. 213, Pt. S, §14 and
2 affected by §16, is repealed and the following enacted in its place:

3 **§6203-A. Procedure for reimbursement**

4 **1. Application periods beginning August 1, 2012 and August 1, 2013.** For
5 application periods beginning August 1, 2012 and August 1, 2013, at least monthly on or
6 before the last day of the month, the State Tax Assessor shall determine the benefit for
7 each claimant under this chapter and certify the amount to the State Controller to be
8 transferred to the so-called circuit breaker reserve established, maintained and
9 administered by the State Controller from General Fund undedicated revenue. At least
10 monthly, the assessor shall pay the certified amounts to each approved applicant
11 qualifying for the benefit under this chapter. Interest may not be allowed on any payment
12 made to a claimant pursuant to this chapter.

13 **2. Application periods beginning during or after January 2014; applications**
14 **filed January 1st to June 30th.** For application periods beginning during or after
15 January 2014 and with respect to applications filed prior to July 1st, the State Tax
16 Assessor shall determine the benefit for each claimant under this chapter and certify the
17 amount to the State Controller at any time after June 30th, but no later than July 15th, to
18 be transferred to the so-called circuit breaker reserve established, maintained and
19 administered by the State Controller from General Fund undedicated revenue. No later
20 than August 1st, the assessor shall pay the certified amounts to each approved applicant
21 qualifying for the benefit under this chapter. Interest may not be allowed on any payment
22 made to a claimant pursuant to this chapter.

23 **3. Application periods beginning during or after January 2014; applications**
24 **filed after June 30th.** For application periods beginning during or after January 2014
25 and with respect to applications filed after June 30th but prior to the following November
26 15th, plus any time granted to file, at least monthly on or before the last day of the month,
27 the State Tax Assessor shall determine the benefit for each claimant under this chapter
28 and certify the amount to the State Controller to be transferred to the so-called circuit
29 breaker reserve established, maintained and administered by the State Controller from
30 General Fund undedicated revenue. At least monthly, the assessor shall pay the certified
31 amounts to each approved applicant qualifying for the benefit under this chapter. Interest
32 may not be allowed on any payment made to a claimant pursuant to this chapter.

33 **Sec. 5. 36 MRSA §6204**, as amended by PL 2005, c. 2, Pt. E, §3 and affected by
34 §§7 and 8, is repealed and the following enacted in its place:

35 **§6204. Filing date**

36 **1. Application period beginning August 1, 2012.** For the application period
37 beginning August 1, 2012, a claim may not be paid unless the claim is filed with the
38 bureau on or after August 1, 2012 and on or before May 31, 2013.

39 **2. Application period beginning August 1, 2013.** For the application period
40 beginning August 1, 2013, a claim may not be paid unless the claim is filed with the
41 bureau on or after August 1, 2013 and on or before November 30, 2013.

