

MAINE STATE LEGISLATURE

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RUFUS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 1264, L.D. 1762, Bill, "An Act Related to the Report of the Tax Expenditure Review Task Force"

Amend the bill by striking out all of section 1 and inserting the following:

Sec. 1. 36 MRSA §5219-II, sub-§4 is enacted to read:

4. Ineligibility. A resident individual who qualifies for a benefit under the Circuitbreaker Program is ineligible to receive the credit under this section.

Sec. 2. 36 MRSA §6201, sub-§1, as amended by PL 2007, c. 700, Pt. A, §1, is further amended to read:

1. Benefit base. "Benefit base" means property taxes accrued ~~or rent constituting property taxes accrued. In the case of a claimant paying both rent and property taxes for a homestead, benefit base means both property taxes accrued and rent constituting property taxes accrued.~~ The benefit base may not exceed \$3,350 for single-member households and \$4,400 for households with 2 or more members.

Sec. 3. 36 MRSA §6201, sub-§2, as amended by PL 2007, c. 438, §111, is further amended to read:

2. Claimant. "Claimant" means an individual who has filed a claim under this chapter and who was domiciled in this State and occupied a homestead in this State during the entire year for which a claim for relief under this chapter is filed. "Claimant" also includes an individual who has filed a claim under this chapter and who was domiciled in this State and owned or otherwise maintained a homestead in this State during the entire year for which the claim for relief under this chapter is filed and occupied that homestead for at least 6 months during that year. Regardless of how many names of individuals appear on the property deed, the person who meets the qualifications described in this subsection and proves sole responsibility for the payment of the property taxes on the subject property is the claimant with respect to that property. If 2 or more individuals meet the qualifications in this subsection and share ~~the payment of the rent or~~ the responsibility for the payment of the property taxes, each individual may apply on the basis of the ~~rent paid or the~~ property taxes levied on the homestead that reflect the ownership percentage of the claimant and the claimant's household.

HOUSE AMENDMENT

1 If 2 or more individuals claim the same property, the matter must be referred to the State
2 Tax Assessor, whose decision is final. Ownership of a homestead under this chapter may
3 be by fee, by life tenancy, by bond for deed, as mortgagee or any other possessory
4 interest in which the owner is personally responsible for the tax for which a refund is
5 claimed.

6 **Sec. 4. 36 MRSA §6201, sub-§3**, as amended by PL 2007, c. 438, §112, is
7 further amended to read:

8 **3. Elderly household.** "Elderly household" means a household in which, during the
9 year for which relief is requested:

- 10 A. At least one member of the household had attained the age of 62;
- 11 ~~B. The claimant was not married and had attained the age of 55 and was, due to~~
12 ~~disability, receiving federal disability payments such as supplemental security~~
13 ~~income; or~~
- 14 ~~C. The claimant was married and had attained the age of 55 and both the claimant~~
15 ~~and the claimant's spouse were, due to disability, receiving federal disability~~
16 ~~payments such as supplemental security income.~~

17 **Sec. 5. 36 MRSA §6201, sub-§4**, as amended by PL 1991, c. 824, Pt. A, §81, is
18 repealed.

19 **Sec. 6. 36 MRSA §6201, sub-§5**, as amended by PL 2011, c. 513, §1, is further
20 amended to read:

21 **5. Homestead.** "Homestead" means the dwelling owned ~~or rented~~ by the claimant or
22 held in a revocable living trust for the benefit of the claimant and occupied by the
23 claimant and the claimant's dependents as a home, and may consist of a part of a
24 multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which
25 it is built. "Owned" includes a vendee in possession under a land contract and of one or
26 more joint tenants or tenants in common and includes possession under a legally binding
27 agreement that allows the owner of the dwelling to transfer the property but continue to
28 occupy the dwelling as a home until some future event stated in the agreement.

29 **Sec. 7. 36 MRSA §6201, sub-§11**, as amended by PL 1987, c. 839, §1, is
30 repealed.

31 **Sec. 8. 36 MRSA §6201, sub-§11-A**, as amended by PL 2005, c. 2, Pt. E, §2 and
32 affected by §§7 and 8, is repealed.

33 **Sec. 9. 36 MRSA §6207**, as amended by PL 2011, c. 380, Pt. P, §1, is further
34 amended to read:

35 **§6207. Income limitations**

36 A claimant ~~representing a nonelderly household~~ qualifies for the following benefits
37 subject to the following income limitations.

38 **1. Benefit calculation.** ~~For claimants representing a nonelderly household, the~~ The
39 benefit is calculated as follows:

1 A-1. Fifty percent of that portion of the benefit base that exceeds 4% but does not
2 exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8%
3 of income to a maximum payment of \$2,000; and \$1,600.

4 ~~B. For application periods beginning on August 1, 2009, August 1, 2010, August 1,~~
5 ~~2011 and August 1, 2012, the benefit is limited to 80% of the amount determined~~
6 ~~under paragraph A-1.~~

7 **2-A. Income eligibility.** For application periods beginning on or after August 1,
8 2008, a single-member household with a household income in excess of \$60,000 and a
9 household with 2 or more members with a household income in excess of \$80,000 are not
10 eligible for a benefit.

11 **3. Subsidized housing; special needs payment.** A claim may not be granted under
12 this section to claimants:

13 A. Whose housing costs for the year for which relief is requested were subsidized
14 by government programs that limit housing costs to a percentage of household
15 income, except that the exclusion provided by this paragraph does not apply to
16 persons receiving social security disability or supplemental security income disability
17 benefits.

18 **4. Minimum benefit.** A claim of less than \$10 may not be granted.

19 **Sec. 10. 36 MRSA §6216, first ¶,** as enacted by PL 1987, c. 516, §§3 and 6 and
20 amended by PL 2003, c. 689, Pt. B, §6, is further amended to read:

21 It is the intent of the Legislature that any claim paid under this chapter ~~shall~~ must
22 supplement any benefits paid under aid to the aged, ~~blind and disabled~~ or any program
23 ~~which that~~ succeeds or supplants it. The Department of Health and Human Services shall
24 take any such action as may be necessary to ~~assure~~ ensure that recipients of aid to the
25 aged, ~~blind and disabled~~ shall continue to receive as high a percentage of their current
26 assistance as may be possible. To carry out this legislative directive, the department shall
27 utilize all the state funds expected to be saved by a reduction in benefits of recipients of
28 aid to the aged, ~~blind and disabled~~ resulting from this chapter to raise the standards of aid
29 to the aged, ~~blind and disabled~~ at a total cost in state funds equivalent to the savings in
30 state funds ~~which that~~ would be expected as a result of this chapter.

31 **Sec. 11. 36 MRSA §6220,** as amended by PL 2011, c. 657, Pt. BB, §15, is further
32 amended to read:

33 **§6220. Coordination required**

34 The bureau shall seek the advice and cooperation of the Department of Health and
35 Human Services; advocates for elderly ~~and low income~~ individuals; and other interested
36 agencies and organizations in developing the application form and instruction booklet for
37 the Maine Residents Property Tax Program and the outreach plan required by section
38 6219.

39 **Sec. 12. 36 MRSA §6221,** as corrected by RR 2013, c. 1, §55, is amended to read:

1 **§6221. Termination of Circuitbreaker Program for nonelderly households and rent**

2 ~~No benefits~~ Benefits are not allowed under this chapter for nonelderly households or
3 for rent constituting property taxes accrued for an application filed on or after August 1,
4 2013.

5 As used in this section, "nonelderly household" means a household that does not meet
6 the definition of elderly household, and "rent constituting property taxes accrued" means
7 rent actually paid in cash or its equivalent in any tax year by a claimant and the claimant's
8 household solely for the right of occupancy of their Maine homestead in the tax year and
9 which rent constitutes the basis, in the succeeding calendar year, of a claim for relief
10 under this chapter by the claimant.


11 **Sec. 13. PL 2013, c. 368, Pt. S, §8** is amended to read:

12 **Sec. 8. Contingent reduction to municipal revenue sharing.**
13 Notwithstanding any provision of law to the contrary, if legislation pursuant to this Part is
14 not enacted into law before July 1, 2014 that generates an increase in budgeted General
15 Fund revenue of at least \$40,000,000 as estimated by the Office of Fiscal and Program
16 Review, the amount transferred from the Local Government Fund to the General Fund
17 under the Maine Revised Statutes, Title 30-A, section 5681, subsection 5-C in fiscal year
18 2014-15 is increased by ~~\$40,000,000~~ \$6,989,348.

19 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
20 section number to read consecutively.

21 **SUMMARY**

22 This amendment restores the Circuitbreaker Program, but only for households with at
23 least one resident who is at least 62 years of age and only for property taxes paid, not for
24 rent constituting property taxes paid. A person who qualifies under the modified
25 Circuitbreaker Program is ineligible for the property tax fairness credit. This amendment
26 retains the transfer from the Maine Budget Stabilization Fund of \$21,000,000 and the Tax
27 Relief Fund for Maine Residents of \$4,000,000, as proposed in the bill, and reduces the
28 amount of the transfer to state-municipal revenue sharing by \$6,989,348, an amount equal
29 to the estimated cost of the Circuitbreaker Program as modified by this amendment.

30 SPONSORED BY: 
31 (Representative **PARRY**)
32 TOWN: Arundel



126th MAINE LEGISLATURE

LD 1762

LR 2721(11)

An Act Related to the Report of the Tax Expenditure Review Task Force

Fiscal Note for House Amendment *A* to Original Bill
Sponsor: Rep. Parry of Arundel
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$0	\$7,243,950	\$7,507,623
Revenue				
General Fund	\$0	\$0	(\$7,243,950)	(\$7,507,623)
Other Special Revenue Funds	\$0	(\$6,094,348)	\$921,850	\$949,506

Fiscal Detail and Notes

This amendment increases the General Fund cost of the bill by \$7,243,950 in fiscal year 2015-16 and \$7,507,623 in fiscal year 2016-17. The amendment also changes the transfer from the Local Government Fund to the General Fund under PL 2013, c. 368, Pt. S to \$6,989,348 in fiscal year 2014-15, instead of repealing it. This transfer offsets the net fiscal year 2014-15 General Fund cost of the revenue changes of the provisions detailed below.

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Establishes the Circuitbreaker program for individuals aged 62 or older and only for property taxes paid				
- General Fund	\$0	(\$23,994,348)	(\$24,759,100)	(\$25,548,227)
Eliminates the property tax fairness credit for individuals benefiting under the Circuitbreaker program				
- General Fund	\$0	\$17,005,000	\$17,515,150	\$18,040,605
- Municipal Revenue Sharing	\$0	\$895,000	\$921,850	\$949,506