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H.P. 611	House of Representatives, February 14, 2019

An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative MASTRACCIO of Sanford.
Cosponsored by Senator WOODSOME of York and
Representatives: FAY of Raymond, HYMANSON of York, RYKERSON of Kittery, SCHNECK of Bangor, SHARPE of Durham, TIPPING of Orono, Senators: CHENETTE of York, DAVIS of Piscataquis.

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

Sec. 1. 36 MRSA §683, sub-§1-C is enacted to read:

1-C. Additional senior exemption. For property tax years beginning on or after April 1, 2020, a homestead that is eligible for an exemption under subsections 1 and 1-B is eligible for an additional exemption of $30,000 of the just value of the homestead if at least one of the applicants is 75 years of age or older and has claimed the homestead as a permanent residence for 10 or more years. If a taxpayer claiming the additional exemption under this subsection dies, the taxpayer's surviving spouse may continue to claim the exemption notwithstanding the age and length of residency requirements in this subsection so long as the homestead remains the surviving spouse's permanent residence.

Sec. 2. 36 MRSA §683, sub-§§3 and 4, as amended by PL 2017, c. 284, Pt. G, §1, are further amended to read:

3. Effect on state valuation. For property tax years beginning before April 1, 2018, 50% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on or after April 1, 2018, 62.5% of the just value of all the homestead exemptions under ~~this subchapter~~ subsections 1 and 1-B must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on or after April 1, 2020, 100% of the just value of all the homestead exemptions under subsection 1-C must be included in the annual determination of state valuation under sections 208 and 305.

4. Property tax rate. For property tax years beginning before April 1, 2018, 50% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on or after April 1, 2018, 62.5% of the just value of all the homestead exemptions under ~~this subchapter~~ subsections 1 and 1-B must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on or after April 1, 2020, 100% of the just value of all the homestead exemptions under subsection 1-C must be included in the total municipal valuation used to determine the municipal tax rate. The municipal tax rate as finally determined may be applied to only the taxable portion of each homestead qualified for that tax year.

Sec. 3. 36 MRSA §683, sub-§5, as amended by PL 2015, c. 267, Pt. J, §3, is further amended to read:

5. Determination of exemption for cooperative housing corporation. A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to reflect changes in the ownership, age and residency status and duration of qualifying shareholders. The exemption is equal to the amounts specified in subsections 1 ~~and 1-B multiplied by the number of~~ to 1-C applicable to units in the cooperative property occupied by qualifying shareholders. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. The apportionment must provide the maximum eligible exemption to homesteads qualifying for the additional exemption under subsection 1-C and must apportion the remainder of the exemption on a per unit basis to the remaining eligible homesteads. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

Sec. 4. 36 MRSA §685, sub-§2, as amended by PL 2017, c. 284, Pt. G, §2, is further amended to read:

2. Entitlement to reimbursement by the State; calculation. A municipality that has approved homestead exemptions under this subchapter may recover from the State:

A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~

B. For property tax years beginning on or after April 1, 2018, 62.5% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B~~.~~; and

C. For property tax years beginning on or after April 1, 2020, 100% of the taxes lost by reason of the exemption under section 683, subsection 1-C.

The municipality must provide proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund in the same manner for taxes lost by reason of the exemptions.

SUMMARY

This bill provides an additional $30,000 homestead property tax exemption, for a total exemption of $50,000, for persons who are 75 years of age or older and claimed the homestead as a permanent residence for 10 or more years. The bill requires the State to reimburse municipalities 100% of the revenue lost as a result of the increased exemption for persons 75 years of age or older.