

MAINE STATE LEGISLATURE

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Date: 3/12/20

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 772, L.D. 1042, Bill, "An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §653, sub-§1, ¶D-4 is enacted to read:

D-4. For property tax years beginning on or after April 1, 2021, the estates as calculated under this paragraph of an individual who is a disabled veteran who is not eligible for an exemption under paragraph C or C-1 because of age or service requirements or an eligible survivor of such a disabled veteran.

(1) For the purposes of this paragraph, "disabled veteran" means a permanent resident of this State who is a veteran with a service-connected disability rated by the United States Department of Veterans Affairs as 30% or greater. For purposes of this paragraph, "eligible survivor" means an unremarried widow or widower or minor child or parent of a deceased disabled veteran.

(2) An exemption calculated under this paragraph may be applied only to a homestead, as defined in section 681, subsection 2, of the person claiming the exemption.

(3) The exemption provided in this paragraph applies to the property of an eligible survivor, including property held in a revocable living trust for the benefit of that eligible survivor.

(4) An individual may not claim an exemption under both this paragraph and another paragraph of this subsection; however, an eligible individual may elect to receive an exemption under another paragraph of this subsection instead of the exemption under this paragraph.

(5) A disabled veteran is entitled to an exemption calculated under this paragraph as follows:

COMMITTEE AMENDMENT

1 (a) For a veteran with a service-connected disability rated by the United
2 States Department of Veterans Affairs as at least 30%, but less than 40%, the
3 exemption is \$1,500;

4 (b) For a veteran with a service-connected disability rated by the United
5 States Department of Veterans Affairs as at least 40%, but less than 50%, the
6 exemption is \$2,000;

7 (c) For a veteran with a service-connected disability rated by the United
8 States Department of Veterans Affairs as at least 50%, but less than 60%, the
9 exemption is \$2,500;

10 (d) For a veteran with a service-connected disability rated by the United
11 States Department of Veterans Affairs as at least 60%, but less than 70%, the
12 exemption is \$3,000;

13 (e) For a veteran with a service-connected disability rated by the United
14 States Department of Veterans Affairs as at least 70%, but less than 80%, the
15 exemption is \$3,500;

16 (f) For a veteran with a service-connected disability rated by the United
17 States Department of Veterans Affairs as at least 80%, but less than 90%, the
18 exemption is \$4,000;

19 (g) For a veteran with a service-connected disability rated by the United
20 States Department of Veterans Affairs as at least 90%, but less than 100%,
21 the exemption is \$4,500; and

22 (h) For a veteran with a service-connected disability rated by the United
23 States Department of Veterans Affairs as 100%, the exemption is \$6,000.

24 (6) A municipality granting exemptions under this paragraph is entitled to
25 reimbursement from the State of 100% of the property tax revenue lost as a result
26 of the exemptions in the manner provided under section 661.'

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

29 **SUMMARY**

30 This amendment changes the property tax exemption proposed in the bill from a
31 homestead exemption to an exemption for the estates of veterans for property tax years
32 beginning on or after April 1, 2021. Like current exemptions for the estates of veterans,
33 the exemption is also made available to an eligible survivor, who may be a widow or
34 widower, a minor child or a parent of an eligible disabled veteran, following the death of
35 the eligible disabled veteran. The calculation of the exemption is changed to provide a
36 flat exemption amount that increases from \$1,500 to \$6,000 based on the percentage of
37 the veteran's service-connected disability. The amendment also requires state
38 reimbursement to municipalities and the Unorganized Territory Education and Services
39 Fund for 100% of the property tax revenue lost as a result of the exemptions.

FISCAL NOTE REQUIRED
(See attached)



129th MAINE LEGISLATURE

LD 1042

LR 1721(02)

An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-748)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$0	\$540,000	\$675,000
Appropriations/Allocations				
General Fund	\$0	\$0	\$540,000	\$675,000

Fiscal Detail and Notes

This bill expands the current disabled veterans' property tax exemption to include individuals who do not qualify because of age or service requirements. The Department of Administrative and Financial Services will require an ongoing General Fund appropriation of \$540,000 beginning in fiscal year 2021-22 to reimburse municipalities for 100% of the reduced property tax revenue.