

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1071

S.P. 339

In Senate, March 11, 2021

An Act To Reduce Property Taxes for Maine Residents

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator POULIOT of Kennebec.

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

2 **Sec. 1. 36 MRSA §683, sub-§1-B**, as amended by PL 2019, c. 343, Pt. H, §2, is
3 further amended to read:

4 **1-B. Additional exemption.** A homestead eligible for an exemption under subsection
5 1 is eligible for an additional exemption of \$5,000 of the just value of the homestead for
6 property tax years beginning on April 1, 2016, \$10,000 of the just value of the homestead
7 for property tax years beginning on April 1, 2017, April 1, 2018 and April 1, 2019 ~~and~~
8 \$15,000 of the just value of the homestead for property tax years beginning on ~~or after~~
9 April 1, 2020 and \$40,000 of the just value of the homestead for property tax years
10 beginning on or after April 1, 2021.

11 **Sec. 2. 36 MRSA §683, sub-§3**, as amended by PL 2019, c. 343, Pt. H, §3, is further
12 amended to read:

13 **3. Effect on state valuation.** For property tax years beginning before April 1, 2018,
14 50% of the just value of all the homestead exemptions under this subchapter must be
15 included in the annual determination of state valuation under sections 208 and 305. For
16 property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the just value
17 of all the homestead exemptions under this subchapter must be included in the annual
18 determination of state valuation under sections 208 and 305. For property tax years
19 beginning on ~~or after~~ April 1, 2020, 70% of the just value of all the homestead exemptions
20 under this subchapter must be included in the annual determination of state valuation under
21 sections 208 and 305. For property tax years beginning on or after April 1, 2021, 100% of
22 the just value of all the homestead exemptions under this subchapter must be included in
23 the annual determination of state valuation under sections 208 and 305.

24 **Sec. 3. 36 MRSA §683, sub-§4**, as amended by PL 2019, c. 343, Pt. H, §3, is further
25 amended to read:

26 **4. Property tax rate.** For property tax years beginning before April 1, 2018, 50% of
27 the just value of all the homestead exemptions under this subchapter must be included in
28 the total municipal valuation used to determine the municipal tax rate. For property tax
29 years beginning on April 1, 2018 and April 1, 2019, 62.5% of the just value of all the
30 homestead exemptions under this subchapter must be included in the total municipal
31 valuation used to determine the municipal tax rate. For property tax years beginning on ~~or~~
32 ~~after~~ April 1, 2020, 70% of the just value of all the homestead exemptions under this
33 subchapter must be included in the total municipal valuation used to determine the
34 municipal tax rate. For property tax years beginning on or after April 1, 2021, 100% of the
35 just value of all the homestead exemptions under this subchapter must be included in the
36 total municipal valuation used to determine the municipal tax rate. The municipal tax rate
37 as finally determined may be applied to only the taxable portion of each homestead
38 qualified for that tax year.

39 **Sec. 4. 36 MRSA §685, sub-§2**, as amended by PL 2019, c. 343, Pt. H, §4, is further
40 amended to read:

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

- 1 A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by
2 reason of the exemptions under section 683, subsections 1 and 1-B;
- 3 B. For property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the
4 taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~
- 5 C. For property tax years beginning on ~~or after~~ April 1, 2020, 70% of the taxes lost by
6 reason of the exemptions under section 683, subsections 1 and 1-B; and
- 7 D. For property tax years beginning on or after April 1, 2021, 100% of the taxes lost
8 by reason of the exemptions under section 683, subsections 1 and 1-B.

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

12 **SUMMARY**

13 This bill increases the total exemption under the Maine resident homestead property
14 tax exemption program to \$50,000 for property tax years beginning on or after April 1,
15 2021. This bill also increases state reimbursement to municipalities for homestead property
16 tax exemptions from 70% to 100% for property tax years beginning on or after April 1,
17 2021.