

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1225

H.P. 773

House of Representatives, March 21, 2023

An Act to Protect Housing by Increasing the Property Tax Fairness Credit

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative O'NEIL of Saco.
Cosponsored by Senator BAILEY of York and
Representatives: ABDI of Lewiston, GERE of Kennebunkport, MADIGAN of Waterville,
MALON of Biddeford, MASTRACCIO of Sanford, MOONEN of Portland, SUPICA of
Bangor, Senator: HICKMAN of Kennebec.

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

2 **Sec. 1. 36 MRSA §5219-KK, sub-§2-D**, as amended by PL 2021, c. 635, Pt. F,
3 §1, is further amended to read:

4 **2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022
5 and before January 1, 2023, a resident individual is allowed a credit against the taxes
6 imposed under this Part equal to the amount by which the benefit base for the resident
7 individual exceeds 4% of the resident individual's income. The credit may not exceed
8 \$1,000 for resident individuals under 65 years of age as of the last day of the taxable year
9 or \$1,500 for resident individuals 65 years of age and older as of the last day of the taxable
10 year. In the case of married individuals filing a joint return, only one spouse is required to
11 be 65 years of age or older to qualify for the \$1,500 credit limitation. Married taxpayers
12 filing separate returns do not qualify for the credit under this section.

13 **Sec. 2. 36 MRSA §5219-KK, sub-§2-E**, as enacted by PL 2021, c. 703, §1, is
14 amended to read:

15 **2-E. Permanently and totally disabled veterans; additional credit.** For tax years
16 beginning on or after January 1, 2023, in addition to the credit under subsection 2-D or 2-F,
17 a resident individual who is a veteran who is 100% permanently and totally disabled is
18 allowed an additional credit against the taxes imposed under this Part in an amount equal
19 to the amount calculated under subsection 2-D or 2-F. The combined credit under
20 subsection 2-D or 2-F and this subsection may not exceed the property taxes paid by the
21 resident individual during the tax year on the resident individual's homestead in this State
22 and rent constituting property taxes paid by the resident individual during the tax year on a
23 homestead in the State, combined. In the case of married individuals filing a joint return,
24 only one spouse is required to be a veteran who is 100% permanently and totally disabled
25 to qualify for the additional credit allowed under this subsection. For the purposes of this
26 subsection, "100% permanently and totally disabled" means having a rating by the United
27 States Department of Veterans Affairs at 100% for one or more service-connected
28 disabilities that are rated permanent and "veteran" has the same meaning as in section 653,
29 subsection 1, paragraph E.

30 **Sec. 3. 36 MRSA §5219-KK, sub-§2-F** is enacted to read:

31 **2-F. Credit in 2023 and after.** For tax years beginning on or after January 1, 2023, a
32 resident individual is allowed a credit against the taxes imposed under this Part equal to the
33 amount by which the benefit base for the resident individual exceeds 4% of the resident
34 individual's income. The credit may not exceed \$1,500 for resident individuals under 65
35 years of age as of the last day of the taxable year or \$2,000 for resident individuals 65 years
36 of age and older as of the last day of the taxable year. In the case of married individuals
37 filing a joint return, only one spouse is required to be 65 years of age or older to qualify for
38 the \$2,000 credit limitation. Married taxpayers filing separate returns do not qualify for the
39 credit under this section.

40 SUMMARY

41 For income tax years beginning on or after January 1, 2023, this bill increases the
42 maximum property tax fairness credit from \$1,000 to \$1,500 for residents under 65 years
43 of age and from \$1,500 to \$2,000 for residents 65 years of age or older.