

MAINE STATE LEGISLATURE

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Date: 4/1/24 Majority

L.D. 1737
(Filing No. H- 897)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1116, L.D. 1737, "An Act to Provide up to \$5,000 in Property Tax Relief to Veterans"

Amend the bill by striking out the title and substituting the following:

'An Act to Expand Property Tax Relief for Veterans and Their Survivors'

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

'Sec. 1. 36 MRSA §653, sub-§1, ¶C, as amended by PL 2023, c. 441, Pt. B, §1 and affected by §7, is further amended to read:

C. The estates up to the just value of ~~\$6,000~~ \$5,000, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States; except that, for veterans who are 62 years of age or older, the exemption is up to \$6,000 of the just value.

~~(1) During any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27, 1961, or who were awarded an expeditionary medal for service in the Armed Forces of the United States, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total disability, service connected or nonservice connected, as a veteran. A veteran of the Vietnam War must have served on active duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period; or~~

~~(2) Who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or~~

COMMITTEE AMENDMENT

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~~compensation from the United States Government for total, service-connected disability.~~

The exemptions provided in this paragraph apply to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

Sec. 2. 36 MRSA §653, sub-§1, ¶C-1, as amended by PL 1995, c. 368, Pt. CCC, §2 and affected by §11, is further amended to read:

C-1. ~~The estates up to the just value of \$7,000, having a taxable situs in the place of residence of veterans who served in the Armed Forces of the United States during any federally recognized war period during or before World War I and who would be eligible for an exemption under paragraph C.~~

~~The exemption provided in this paragraph is in lieu of any exemption under paragraph C to which the veteran may be eligible and applies to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.~~

Sec. 3. 36 MRSA §653, sub-§1, ¶C-2 is enacted to read:

C-2. The estates, having a taxable situs in the place of residence of veterans who served in the Armed Forces of the United States and have a service-connected disability rating as determined by the United States Department of Veterans Affairs of 60% or greater, as follows.

- (1) For a veteran with a service-connected disability rating of 100%, the exemption is up to \$50,000 of the just value.
- (2) For a veteran with a service-connected disability rating of 90%, the exemption is up to \$40,000 of the just value.
- (3) For a veteran with a service-connected disability rating of 80%, the exemption is up to \$30,000 of the just value.
- (4) For a veteran with a service-connected disability rating of 70%, the exemption is up to \$20,000 of the just value.
- (5) For a veteran with a service-connected disability rating of 60%, the exemption is up to \$10,000 of the just value.

The exemptions provided in this paragraph apply to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

Sec. 4. 36 MRSA §653, sub-§1, ¶D, as amended by PL 2007, c. 240, Pt. PPPP, §2, is repealed.

Sec. 5. 36 MRSA §653, sub-§1, ¶D-1, as amended by PL 2023, c. 441, Pt. B, §2 and affected by §7, is further amended to read:

D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of residence, for specially adapted housing units, of veterans who served in the Armed Forces of the United States ~~during any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24,~~

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~~1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27, 1961, or who were awarded an expeditionary medal for service in the Armed Forces of the United States, and who are veterans as described in 38 United States Code, Section 2101, and who received a grant from the United States Government for any such housing, or of the unremarried widows or widowers of those veterans. A veteran of the Vietnam War must have served on active duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period. The exemption provided in this paragraph applies to the property of the veteran including property held in joint tenancy with a spouse or held in a revocable living trust for the benefit of that veteran.~~

Sec. 6. 36 MRSA §653, sub-§1, ¶D-2, as amended by PL 2003, c. 702, §3, is repealed.

Sec. 7. 36 MRSA §653, sub-§1, ¶D-3, as amended by PL 2003, c. 702, §4, is repealed.

Sec. 8. 36 MRSA §653, sub-§1, ¶E, as amended by PL 2023, c. 360, Pt. A, §7, is further amended to read:

E. The word "veteran" as used in this ~~subsection~~ section means an individual who was on active duty in the Armed Forces of the United States and who, if discharged, retired or separated from the Armed Forces, was discharged, retired or separated under other than dishonorable conditions. "Veteran" also includes:

(1) The unremarried widow or widower or minor child of a veteran who would be entitled to an exemption under this section if living, or who is in receipt of a pension or compensation from the Federal Government as the widow or widower or minor child of a veteran; and

(2) The parent of a deceased veteran who is 62 years of age or older and is an unremarried widow or widower who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of that parent's child.

Individuals seeking an exemption as the unremarried widow or widower or minor child or parent of a veteran as described in subparagraphs (1) and (2) are eligible for the exemption that the veteran would be eligible for pursuant to this section if the veteran was living.

Sec. 9. 36 MRSA §841, sub-§4, as amended by PL 2017, c. 367, §8, is further amended to read:

4. Veteran's widow or widower or minor child. Notwithstanding failure to comply with section 706-A, the assessors, on written application within one year from the date of commitment, may make such abatement as they think proper in the case of the unremarried widow or widower or the minor child of a veteran, if the widow, widower or child would be entitled to an exemption under section 653, subsection 1, paragraph ~~D~~ E, except for the failure of the widow, widower or child to make application and file proof within the time

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set by section 653, subsection 1, paragraph G, if the veteran died during the 12-month period preceding the April 1st for which the tax was committed.

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming costs to implement changes to property tax exemptions for veterans.

GENERAL FUND	2023-24	2024-25
All Other	\$0	\$32,000
GENERAL FUND TOTAL	\$0	\$32,000

Sec. 11. Application. This Act applies to property tax years beginning on or after April 1, 2025.'

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

SUMMARY

This amendment changes the property tax benefits for military veterans beginning with property tax years beginning on or after April 1, 2025. The amendment provides that veterans are no longer required to have served during a federally recognized war period and receive an exemption of up to \$5,000 of the just value of the property. It provides that veterans who are 62 years of age or older receive an exemption of up to \$6,000 of the just value of the property. It also provides that veterans receive an exemption of between \$10,000 and \$50,000 based on their United States Department of Veterans Affairs service-connected disability rating. The amendment provides that veterans' survivors remain eligible for the benefit that the veteran would be eligible for if the veteran was living.

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 1737

LR 2103(02)

An Act to Provide up to \$5,000 in Property Tax Relief to Veterans

Fiscal Note for Bill as Amended by Committee Amendment

A (H-897)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$32,000	\$0	\$4,707,000
Appropriations/Allocations				
General Fund	\$0	\$32,000	\$0	\$4,707,000

State Mandates

Required Activity	Unit Affected	Local Cost
Requires municipalities to administer an expanded property tax exemption for veterans.	Municipality	\$230,000 is 100%

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill expands the property tax exemption for veterans effective for property tax years beginning on or after April 1, 2025. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$32,000 in fiscal year 2024-25 for computer programming costs to implement the changes to the exemption.

Ongoing General Fund appropriations of \$4,500,000 in fiscal year 2026-27 will be required to reimburse municipalities for 50% of the additional property tax revenue loss from expanding the property tax exemption for veterans. Ongoing General Fund appropriations of \$207,000 in fiscal year 2026-27 will be required to reimburse municipalities for 90% of the additional local mandate costs.