MAINE STATE LEGISLATURE

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1	L.D. 21					
2	Date: 3/19/24 // Wayrity (Filing No. H-83					
3	TAXATION					
4	Reproduced and distributed under the direction of the Clerk of the House.					
5	STATE OF MAINE					
6	HOUSE OF REPRESENTATIVES					
7	131ST LEGISLATURE					
8	SECOND REGULAR SESSION					
9 10	COMMITTEE AMENDMENT " A" to H.P. 1368, L.D. 2144, "An Act to Provi Property Tax Relief by Increasing the Availability of the Property Tax Fairness Credit"					
11	Amend the bill by striking out the title and substituting the following:					
12 13 14	'An Act to Provide Property Tax Relief by Increasing the Availability of the Property Tax Fairness Credit for Resident Individuals Who Are 65 Years of Age or Older with Annual Income at or Below \$36,000'					
15 16	Amend the bill by striking out everything after the enacting clause and inserting t following:					
17 18	'Sec. 1. 36 MRSA §5219-KK, sub-§2-D, as amended by PL 2023, c. 412, Pt. §4, is further amended to read:					
19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34	2-D. Credit in 2022 and after. For tax years beginning on or after January 1, 202 a resident individual is allowed a credit against the taxes imposed under this Part equal the amount by which the benefit base for the resident individual exceeds 4% of the reside individual's income, except that, for tax years beginning on or after January 1, 2024, resident individual who is 65 years of age or older with an annual income at or below \$36,000 is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 3% of the resident individual annual income. The credit may not exceed \$1,000 for resident individuals under 65 years of age as of the last day of the taxable year or, for tax years beginning before January 2024, \$1,500 for resident individuals 65 years of age and older as of the last day of taxable year. For tax years beginning on or after January 1, 2024, for resident individual 65 years of age and older, the credit may not exceed \$2,000. In the case of marricindividuals filing a joint return, only one spouse is required to be 65 years of age or old to qualify for the credit applicable to individuals who are 65 years of age and older established by this subsection or to qualify for the \$1,500 or \$2,000 credit limitatic Married taxpayers filing separate returns do not qualify for the credit under this section.					
35 36	Sec. 2. 36 MRSA §5403, sub-§6, as repealed and replaced by PL 2023, c. 412, I S, §5, is amended to read:					

Page 1 - 131LR2842(02)

6. Property tax fairness credit. For the property tax fairness credit:

- A. Beginning in 2018 and each year thereafter, by the benefit base amounts in section 5219-KK, subsection 1, paragraph A-1, subparagraphs (1) to (3), except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2017; and
- B. Beginning in 2024 and each year thereafter, by the benefit base amount in section 5219-KK, subsection 1, paragraph A-1, subparagraph (4), except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2023; and
- C. Beginning in 2024 and each year thereafter, by the income amount at or below which a resident individual who is 65 years of age or older is allowed the credit provided in section 5219-KK, subsection 2-D that is equal to the amount by which the benefit base for the resident individual exceeds 3% of the resident individual's annual income, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2023;
- Sec. 3. 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, system testing and printing costs associated with changes to the property tax fairness credit.

GENERAL FUND All Other	2023-24 \$0	2024-25 \$52,458	
GENERAL FUND TOTAL	\$0	\$52,458	

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

SUMMARY

This amendment replaces the bill and provides that, for tax years beginning on or after January 1, 2024, for resident individuals who are 65 years of age and older filing individually or as a married individual filing jointly, with an annual income of \$36,000 or less, indexed for inflation, the property tax fairness credit is equal to the amount by which the benefit base for the resident individual exceeds 3% of the resident individual's annual income. In the case of married individuals filing jointly, only one spouse is required to be

Page 2 - 131LR2842(02)

ROS		COMMITTEE AMENDMENT " X" to H.P. 1368, L,D. 2144			
de de la constitución de la cons	1 2	65 years of age or older to qualify for the tax credit. The amendment does not eliminate the property tax fairness credit available under current law.			
	3	FISCAL NOTE REQUIRED			
	4	(See attached)			

Page 3 - 131LR2842(02)



131st MAINE LEGISLATURE

LD 2144

LR 2842(02)

An Act to Provide Property Tax Relief by Increasing the Availability of the Property Tax Fairness Credit

Fiscal Note for Bill as Amended by Committee Amendment 'Fr (H-839)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings) General Fund	ው ስ	Φ2 10 <i>6</i> 050	\$2.005.551	\$2.127.000
General Fund	\$0	\$3,196,958	\$3,205,551	\$3,135,000
Appropriations/Allocations				
General Fund	\$0	\$52,458	\$4,051	\$0
Revenue				
General Fund	\$0	(\$3,144,500)	(\$3,201,500)	(\$3,135,000)
Other Special Revenue Funds	\$0	(\$165,500)	(\$168,500)	(\$165,000)

Fiscal Detail and Notes

This bill makes changes to the property tax fairness credit that will increase eligibility for the credit. These changes will decrease income tax revenue to the General Fund by \$3,144,500 and decrease Local Government Fund revenue by \$165,500 in fiscal year 2024-25.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$52,458 in fiscal year 2024-25 for computer programming, system testing and printing costs to implement changes to the property tax fairness credit.