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Date: (Filing No. S-)

TAXATION

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**STATE OF MAINE
SENATE
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 69, L.D. 130, “An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption”

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

'An Act to Eliminate the Property Tax Stabilization Program and Enhance Benefits Under the Senior Property Tax Deferral Program and the Property Tax Fairness Credit'

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

'Sec. 1. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by amending subparagraph (2) to read:

(2) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or for persons filing joint returns, \$2,650; ~~and~~

Sec. 2. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by amending subparagraph (3) to read:

(3) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for more than one qualifying child or dependent or for persons filing joint returns that can claim the federal child tax credit pursuant to the Code, Section 24 for at least one qualifying child or dependent, \$3,250; ~~and~~

Sec. 3. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by enacting a new subparagraph (4) to read:

(4) For tax years beginning on or after January 1, 2024, notwithstanding subparagraphs (1) and (2), for individuals 65 years of age or older, \$4,000.

COMMITTEE AMENDMENT

1 **Sec. 4. 36 MRSA §5219-KK, sub-§2-D**, as amended by PL 2021, c. 635, Pt. F,
2 §1, is further amended to read:

3 **2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022,
4 a resident individual is allowed a credit against the taxes imposed under this Part equal to
5 the amount by which the benefit base for the resident individual exceeds 4% of the resident
6 individual's income. The credit may not exceed \$1,000 for resident individuals under 65
7 years of age as of the last day of the taxable year or, for tax years beginning before January
8 1, 2024, \$1,500 for resident individuals 65 years of age and older as of the last day of the
9 taxable year. For tax years beginning on or after January 1, 2024, for resident individuals
10 65 years of age and older, the credit may not exceed \$2,000. In the case of married
11 individuals filing a joint return, only one spouse is required to be 65 years of age or older
12 to qualify for the \$1,500 or \$2,000 credit limitation. Married taxpayers filing separate
13 returns do not qualify for the credit under this section.

14 **Sec. 5. 36 MRSA §5403, sub-§6**, as amended by PL 2019, c. 379, Pt. C, §5, is
15 repealed and the following enacted in its place:

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

17 A. Beginning in 2018 and each year thereafter, by the benefit base amounts in section
18 5219-KK, subsection 1, paragraph A-1, subparagraphs (1) to (3), except that for the
19 purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-
20 of-living adjustment" is the Chained Consumer Price Index for the 12-month period
21 ending June 30th of the preceding calendar year divided by the Chained Consumer
22 Price Index for the 12-month period ending June 30, 2017; and

23 B. Beginning in 2024 and each year thereafter, by the benefit base amount in section
24 5219-KK, subsection 1, paragraph A-1, subparagraphs (4), except that for the purposes
25 of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living
26 adjustment" is the Chained Consumer Price Index for the 12-month period ending June
27 30th of the preceding calendar year divided by the Chained Consumer Price Index for
28 the 12-month period ending June 30, 2023;

29 **Sec. 6. 36 MRSA §6251, sub-§1, ¶B**, as amended by PL 2021, c. 483, Pt. AA, §6,
30 is further amended to read:

31 B. The taxpayer has income, as defined in section 5219-KK, subsection 1, paragraph
32 D, of less than \$40,000 for the calendar year immediately preceding the calendar year
33 in which the claim is filed and for applications filed after January 1, 2024, income of
34 less than \$80,000 for the calendar year immediately preceding the calendar year in
35 which the claim is filed;

36 **Sec. 7. 36 MRSA §6251, sub-§1, ¶C**, as enacted by PL 2021, c. 483, Pt. AA, §6,
37 is amended to read:

38 C. The taxpayer, if an individual, has liquid assets of less than \$50,000 or, for
39 applications filed after January 1, 2024, less than \$100,000 or, in the case of 2 or more
40 individuals filing a claim jointly, all the individuals together have liquid assets of less
41 than \$75,000 or, for applications filed after January 1, 2024, less than \$150,000; and

42 **Sec. 8. 36 MRSA §6252, sub-§5**, as enacted by PL 2021, c. 483, Pt. AA, §9, is
43 amended to read:

1 **5. No municipal lien.** The property does not have an existing municipal lien against
2 it other than a lien released pursuant to section 6252-A, subsection 5.

3 **Sec. 9. 36 MRSA §6252-A** is enacted to read:

4 **§6252-A. Deferral of delinquent taxes**

5 Notwithstanding section 6252, subsection 5, a taxpayer who owes delinquent property
6 taxes and whose property is subject to a municipal lien may qualify for tax deferral of a
7 homestead under this chapter subject to the following conditions.

8 **1. Limit 2 years.** The taxpayer owes no more than 2 years of delinquent property taxes
9 at the time of application for deferral.

10 **2. Added to deferred taxes.** The amount of delinquent property taxes, plus interest
11 and costs, must be determined as of a predetermined payoff date. This amount must be
12 added to the amount of tax deferred for the first fiscal year pursuant to section 6251,
13 subsection 2, paragraph A.

14 **3. State lien.** The amount of the State lien under section 6254 must be increased by
15 the amount of delinquent property taxes deferred under this section.

16 **4. Reimbursed to municipality or unorganized territory.** An amount equal to the
17 delinquent property taxes, interest and costs must be included in the certification provided
18 by the State Tax Assessor to the Treasurer of State and reimbursed to the municipality or
19 to the Unorganized Territory Education and Services Fund by the Treasurer of State
20 pursuant to section 6257, subsection 1.

21 **5. Release of lien.** Upon receipt of full reimbursement for delinquent property taxes,
22 interest and costs, the municipality, or the State Tax Assessor for the unorganized territory,
23 shall release the lien attached to the homestead for those delinquent property taxes, interest
24 and costs.

25 **6. Restriction.** A taxpayer who owes delinquent taxes for more than one residential
26 property within the State is not eligible to claim a deferral.

27 **Sec. 10. 36 MRSA §6281,** as enacted by PL 2021, c. 751, §1, is amended by
28 enacting at the end a new paragraph to read:

29 This chapter applies only to the property tax year beginning April 1, 2023.

30 **Sec. 11. Appropriations and allocations.** The following appropriations and
31 allocations are made.

32 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

33 **Elderly Tax Deferral Program 0650**

34 Initiative: Provides funding to reimburse municipalities for the expansion of the elderly tax
35 deferral program.

36	GENERAL FUND	2023-24	2024-25
37	All Other	\$0	\$1,500,000
38			
39	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,500,000</u>

40 **Property Tax Stabilization Z368**

1 Initiative: Removes funding for reimbursement to municipalities due to elimination of the
 2 property tax stabilization program.

3	GENERAL FUND	2023-24	2024-25
4	All Other	\$0	(\$31,000,000)
5			
6	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$31,000,000)</u>

7 **Property Tax Stabilization Mandate Z369**

8 Initiative: Removes funding for mandate cost reimbursement to municipalities due to
 9 elimination of the property tax stabilization program.

10	GENERAL FUND	2023-24	2024-25
11	All Other	\$0	(\$550,000)
12			
13	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$550,000)</u>

15 **ADMINISTRATIVE AND FINANCIAL**
 16 **SERVICES, DEPARTMENT OF**
 17 **DEPARTMENT TOTALS**

18		2023-24	2024-25
19	GENERAL FUND	\$0	(\$30,050,000)
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$30,050,000)</u>

22
 23 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 24 number to read consecutively.

25 **SUMMARY**

26 This amendment removes from the bill the provisions providing an increased
 27 homestead property tax exemption for permanent residents 65 years of age or older. The
 28 amendment increases the maximum benefit for persons who are 65 years of age or older
 29 under the property tax fairness credit and the benefit allowed under the senior property tax
 30 deferral program and permits otherwise eligible persons with no more than 2 years of
 31 delinquent property taxes to receive a deferral of taxes if the amount of delinquent taxes is
 32 added to the amount of taxes deferred and subject to certain conditions.

33 **FISCAL NOTE REQUIRED**

34 **(See attached)**