

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Exempt a Portion of Rental Income from Taxation

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶Y is enacted to read:

Y. For income tax years beginning on or after January 1, 2007, to the extent included in federal adjusted gross income and not otherwise removed from Maine taxable income, an amount up to \$2,000 of income received from the rental of living quarters in a secondary property. For purposes of this paragraph, the following terms have the following meanings:

(1) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations and tent or trailer space; and

(2) "Secondary property" means:

(a) A house, cottage, condominium unit, vacation home, boat, vehicle or other structure or any place or location kept, used, maintained, advertised or held out to the public to be a place where living quarters are supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings; and

(b) Property that is not the homestead of a resident of this State.

This paragraph does not apply to a person who owns and offers for rental more than one property in the State during the calendar year.

Sec. 2. Application. This Act applies to income tax years beginning on or after January 1, 2007.

SUMMARY

This bill exempts from income tax up to \$2,000 in income from the rental of the second home of a resident of this State. This exemption does not apply to a person who rents out more than one property during the calendar year.