



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1665

S.P. 659

In Senate, April 17, 2025

An Act to Provide Property Tax Relief to Maine Families

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator CARNEY of Cumberland.
Cosponsored by Representative LEE of Auburn and
Senators: BENNETT of Oxford, BICKFORD of Androscoggin, INGWERSEN of York,
NANGLE of Cumberland, RENY of Lincoln, TIPPING of Penobscot, Representatives:
BOYER of Cape Elizabeth, PUGH of Portland.

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

2 **Sec. 1. 36 MRSA §5219-KK, sub-§1, ¶A-1**, as amended by PL 2023, c. 523, Pt.
3 B, §4, is further amended to read:

4 A-1. For tax years beginning on or after January 1, 2018 but not later than December
5 31, 2024, "benefit base" means property taxes paid by a resident individual or the
6 bureau pursuant to chapter 908 on behalf of the resident individual during the tax year
7 on the resident individual's homestead in this State or rent constituting property taxes
8 paid by the resident individual during the tax year on a homestead in the State not
9 exceeding the following amounts:

10 (1) For persons filing as single individuals, \$2,050;

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

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

19 (4) For tax years beginning on or after January 1, 2024, notwithstanding
20 subparagraphs (1), (2) and (3), for individuals 65 years of age or older, \$4,000.

21 **Sec. 2. 36 MRSA §5219-KK, sub-§1, ¶A-2** is enacted to read:

22 A-2. For tax years beginning on or after January 1, 2025, "benefit base" means property
23 taxes paid by a resident individual or the bureau pursuant to chapter 908 on behalf of
24 the resident individual during the tax year on the resident individual's homestead in this
25 State or rent constituting property taxes paid by the resident individual during the tax
26 year on a homestead in the State not exceeding the following amounts:

27 (1) For individuals filing as single individuals, \$2,450;

28 (2) For individuals filing joint returns, \$3,200;

29 (3) For individuals filing as heads of households or filing joint returns and who can
30 claim the federal child tax credit pursuant to the Code, Section 24 for no more than
31 one qualifying child or dependent, \$3,250;

32 (4) For individuals filing as heads of households or filing joint returns and who can
33 claim the federal child tax credit pursuant to the Code, Section 24 for more than
34 one qualifying child or dependent, \$4,250; and

35 (5) Notwithstanding subparagraphs (1) to (4), for individuals who are 65 years of
36 age or older, \$4,250.

37 **Sec. 3. 36 MRSA §5219-KK, sub-§2-D**, as amended by PL 2023, c. 412, Pt. S,
38 §4, is further amended to read:

39 **2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022,
40 a resident individual is allowed a credit against the taxes imposed under this Part equal to
41 the amount by which the benefit base for the resident individual exceeds 4% of the resident

1 individual's income. The credit may not exceed \$1,000 for resident individuals under 65
2 years of age as of the last day of the taxable year or, for tax years beginning before January
3 1, 2024, \$1,500 for resident individuals 65 years of age and older as of the last day of the
4 taxable year. For tax years beginning on or after January 1, 2024, for resident individuals
5 65 years of age and older, the credit may not exceed \$2,000. For tax years beginning on or
6 after January 1, 2025, for resident individuals filing as heads of households or joint returns
7 as described in subsection 1, paragraph A-2, subparagraph (3) or (4), the credit may not
8 exceed \$2,000. In the case of married individuals filing a joint return, only one spouse is
9 required to be 65 years of age or older to qualify for the \$1,500 or \$2,000 credit limitation.
10 Married taxpayers filing separate returns do not qualify for the credit under this section.

11 **Sec. 4. Study of property tax fairness credit.** The Department of Administrative
12 and Financial Services, Bureau of Revenue Services, referred to in this section as "the
13 bureau," shall convene a working group, referred to in this section as "the working group,"
14 to study the property tax fairness credit established in the Maine Revised Statutes, Title 36,
15 section 5219-KK, referred to in this section as "the credit," and make recommendations on
16 how to make the credit easier to understand and simplify the process for applying for the
17 credit.

18 1. In undertaking the study required by this section, the bureau shall seek input from
19 the following entities or individuals:

- 20 A. Advocates working with low-income individuals in the State to assist those
21 individuals in filing taxes;
- 22 B. Advocates representing low-income individuals in the State;
- 23 C. Advocates representing the interests of children;
- 24 D. Individuals who have attempted to or successfully claimed the credit within the last
25 5 years;
- 26 E. Advocates representing the interests and needs of individuals 65 years of age or
27 older;
- 28 F. Advocates representing the legal needs of individuals 65 years of age or older; and
- 29 G. Representatives of municipal officials and municipal governments.

30 2. The goal of the study is to provide better information to taxpayers regarding the
31 credit, including the availability of, eligibility standards for and methods of applying for
32 and claiming the credit. To meet this goal, the working group shall consider:

- 33 A. Streamlining eligibility criteria;
- 34 B. How to simplify the calculation of the credit, especially the determination of the
35 benefit base and credit and make the benefit amount easier to predict, calculate and
36 understand for an average individual. The working group shall consider eliminating,
37 restructuring or replacing the use of the benefit base in performing the calculation; and
- 38 C. Using income brackets to determine benefit amounts, instead of the benefit base or
39 threshold.

40 3. The bureau shall report the findings and recommendations of the working group,
41 including any implementing legislation, to the Joint Standing Committee on Taxation by

1 December 3, 2025. The joint standing committee may report out legislation related to the
2 report to the Second Regular Session of the 132nd Legislature.

3 **SUMMARY**

4 This bill amends the property tax fairness credit, for tax years beginning in 2025 or
5 later by increasing the benefit base as follows:

6 1. For individuals filing as a head of household who have one child or dependent or
7 for married individuals filing joint returns who have one child or dependent, the benefit
8 base is increased to \$3,250;

9 2. For individuals filing as a head of household who have more than one child or
10 dependent or for married persons who have more than one child or dependent, the benefit
11 base is increased to \$4,000; and

12 3. For individuals 65 years of age or older, the benefit base is increased to \$4,250.

13 This bill also increases the maximum credit for an individual filing as a head of
14 household or filing a joint return and who has a child or dependent to \$2,000.

15 This bill also requires the Department of Administrative and Financial Services,
16 Bureau of Revenue Services to convene a working group to study the property tax fairness
17 credit and make recommendations for how to make the credit easier to understand and
18 simplify the process for applying for the credit. The working group consists of advocates
19 for low-income and elderly individuals and municipal governments.