



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1857

S.P. 727

In Senate, May 5, 2025

An Act to Expand Property Tax Relief for Veterans and Their Survivors and to Modify Certain Corporate Tax Expenditures

Received by the Secretary of the Senate on May 1, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 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 TIPPING of Penobscot.

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

2 **PART A**

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

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

9 ~~(1) During any federally recognized war period, including the Korean Conflict,~~
10 ~~the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July~~
11 ~~31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring~~
12 ~~Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period~~
13 ~~from February 1, 1955 to February 27, 1961, or who were awarded an~~
14 ~~expeditionary medal for service in the Armed Forces of the United States, when~~
15 ~~they have reached the age of 62 years or when they are receiving any form of~~
16 ~~pension or compensation from the United States Government for total disability,~~
17 ~~service-connected or nonservice-connected, as a veteran. A veteran of the Vietnam~~
18 ~~War must have served on active duty after February 27, 1961 and before May 8,~~
19 ~~1975. "Persian Gulf War" means service on active duty on or after August 2, 1990~~
20 ~~and before or on the date that the United States Government recognizes as the end~~
21 ~~of that war period; or~~

22 ~~(2) Who are disabled by injury or disease incurred or aggravated during active~~
23 ~~military service in the line of duty and are receiving any form of pension or~~
24 ~~compensation from the United States Government for total, service-connected~~
25 ~~disability.~~

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

29 **Sec. A-2. 36 MRSA §653, sub-§1, ¶C-1**, as amended by PL 1995, c. 368, Pt. CCC,
30 §2 and affected by §11, is further amended to read:

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

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

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

40 C-2. The estates, having a taxable situs in the place of residence of veterans who served
41 in the Armed Forces of the United States and have a service-connected disability rating

1 as determined by the United States Department of Veterans Affairs of 60% or greater,
2 as follows.

3 (1) For a veteran with a service-connected disability rating of 100%, the exemption
4 is up to \$50,000 of the just value.

5 (2) For a veteran with a service-connected disability rating of 90%, the exemption
6 is up to \$40,000 of the just value.

7 (3) For a veteran with a service-connected disability rating of 80%, the exemption
8 is up to \$30,000 of the just value.

9 (4) For a veteran with a service-connected disability rating of 70%, the exemption
10 is up to \$20,000 of the just value.

11 (5) For a veteran with a service-connected disability rating of 60%, the exemption
12 is up to \$10,000 of the just value.

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

16 **Sec. A-4. 36 MRSA §653, sub-§1, ¶D,** as amended by PL 2007, c. 240, Pt. PPPP,
17 §2, is repealed.

18 **Sec. A-5. 36 MRSA §653, sub-§1, ¶D-1,** as amended by PL 2023, c. 441, Pt. B,
19 §2 and affected by §7, is further amended to read:

20 D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of
21 residence, for specially adapted housing units, of veterans who served in the Armed
22 Forces of the United States ~~during any federally recognized war period, including the~~
23 ~~Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24,~~
24 ~~1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring~~
25 ~~Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period~~
26 ~~from February 1, 1955 to February 27, 1961, or who were awarded an expeditionary~~
27 ~~medal for service in the Armed Forces of the United States, and who are veterans as~~
28 ~~described in 38 United States Code, Section 2101, and who received a grant from the~~
29 ~~United States Government for any such housing, or of the unremarried widows or~~
30 ~~widowers of those veterans. A veteran of the Vietnam War must have served on active~~
31 ~~duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means~~
32 ~~service on active duty on or after August 2, 1990 and before or on the date that the~~
33 ~~United States Government recognizes as the end of that war period. The exemption~~
34 ~~provided in this paragraph applies to the property of the veteran including property~~
35 ~~held in joint tenancy with a spouse or held in a revocable living trust for the benefit of~~
36 ~~that veteran.~~

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

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

41 **Sec. A-8. 36 MRSA §653, sub-§1, ¶D-4** is enacted to read:

1 D-4. Individuals seeking an exemption as the unremarried widow or widower or minor
2 child or parent of a veteran as described in paragraph E, subparagraphs (1) and (2) are
3 eligible for the exemption that the veteran would be eligible for pursuant to this section
4 if the veteran was living.

5 **Sec. A-9. 36 MRSA §653, sub-§1, ¶E**, as amended by PL 2023, c. 360, Pt. A, §7,
6 is further amended to read:

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

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

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

19 **Sec. A-10. 36 MRSA §841, sub-§4**, as amended by PL 2017, c. 367, §8, is further
20 amended to read:

21 **4. Veteran's widow or widower or minor child.** Notwithstanding failure to comply
22 with section 706-A, the assessors, on written application within one year from the date of
23 commitment, may make such abatement as they think proper in the case of the unremarried
24 widow or widower or the minor child of a veteran, if the widow, widower or child would
25 be entitled to an exemption under section 653, subsection 1, paragraph ~~D~~ D-4, except for
26 the failure of the widow, widower or child to make application and file proof within the
27 time set by section 653, subsection 1, paragraph G, if the veteran died during the 12-month
28 period preceding the April 1st for which the tax was committed.

29 **Sec. A-11. Application.** This Part applies to property tax years beginning on or after
30 April 1, 2026.

31 **PART B**

32 **Sec. B-1. 10 MRSA §1100-T, sub-§4**, as amended by PL 2021, c. 412, §4, is
33 further amended to read:

34 **4. Total of credits authorized.** The authority may issue tax credit certificates to
35 investors eligible pursuant to subsections 2, 2-A and 2-C in an aggregate amount not to
36 exceed \$2,000,000 up to and including calendar year 1996, \$3,000,000 up to and including
37 calendar year 1997, \$5,500,000 up to and including calendar year 1998, \$8,000,000 up to
38 and including calendar year 2001, \$11,000,000 up to and including calendar year 2002,
39 \$14,000,000 up to and including calendar year 2003, \$17,000,000 up to and including
40 calendar year 2004, \$20,000,000 up to and including calendar year 2005, \$23,000,000 up
41 to and including calendar year 2006, \$26,000,000 up to and including calendar year 2007
42 and \$30,000,000 up to and including calendar year 2013, in addition to which, the authority
43 may issue tax credit certificates to investors eligible pursuant to subsections 2, 2-A and 2-C

1 in an annual amount not to exceed \$675,000 for investments made between January 1, 2014
2 and December 31, 2014, \$4,000,000 for investments made in calendar year 2015,
3 \$5,000,000 for investments made in calendar years 2016 to 2019, \$15,000,000 for
4 investments made in calendar year 2020, \$13,500,000 for investments made in calendar
5 years 2021 and 2022, \$15,000,000 for investments made in calendar years 2023 to ~~2026~~
6 ~~and 2025~~, \$10,000,000 for investments made in calendar year 2026 and \$5,000,000 each
7 year for investments made in calendar years beginning with 2027. The authority may
8 provide that investors eligible for a tax credit under this section in a year when there is
9 insufficient credit available are entitled to take the credit when it becomes available subject
10 to limitations established by the authority by rule. Rules adopted pursuant to this
11 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

12 **Sec. B-2. 36 MRSA §191, sub-§2, ¶DDD**, as repealed and replaced by PL 2017,
13 c. 375, Pt. D, §2, is repealed.

14 **Sec. B-3. 36 MRSA §191, sub-§2, ¶UUU**, as enacted by PL 2023, c. 667, §1, is
15 repealed.

16 **Sec. B-4. 36 MRSA §2020**, as enacted by PL 2011, c. 425, §1 and affected by §3,
17 is repealed.

18 **Sec. B-5. 36 MRSA §4366-A, sub-§2**, as amended by PL 2009, c. 361, §23, is
19 further amended to read:

20 **2. Provided to sellers.** The State Tax Assessor shall provide stamps to a licensed
21 distributor upon submission by the licensed distributor of a cigarette tax return in a form
22 prescribed by the assessor. The stamps must be of a design suitable to be affixed to
23 packages of cigarettes as evidence of the payment of the tax imposed by this chapter. The
24 assessor may permit a licensed distributor to pay for the stamps within 30 days after the
25 date of purchase, if a bond satisfactory to the assessor in an amount not less than 50% of
26 the sale price of the stamps has been filed with the assessor conditioned upon payment for
27 the stamps. Such a distributor may continue to purchase stamps on a 30-day deferral basis
28 only if it remains current with its cigarette tax obligations. The assessor may not sell
29 additional stamps to a distributor that has failed to pay in full within 30 days for stamps
30 previously purchased until such time as the overdue payment is received. ~~The assessor~~
31 ~~shall sell cigarette stamps to licensed distributors at the following discounts from their face~~
32 ~~value:~~

33 ~~D. For stamps at the face value of 100 mills, the discount rate is 1.15%.~~

34 **Sec. B-6. 36 MRSA §5219-QQ**, as amended by PL 2023, c. 157, §§1 to 3, is
35 repealed.

36 **Sec. B-7. 36 MRSA §5219-BBB**, as enacted by PL 2023, c. 667, §3, is repealed.

37 **Sec. B-8. Application.** The changes made by this Part apply to sales, purchases,
38 investments and other applicable transactions occurring on or after January 1, 2026.

39 SUMMARY

40 Part A of the bill changes the property tax benefits for military veterans beginning with
41 property tax years beginning on or after April 1, 2026. Part A provides that veterans are
42 no longer required to have served during a federally recognized war period and receive an

1 exemption of up to \$5,000 of the just value of the property. It provides that veterans who
2 are 62 years of age or older receive an exemption of up to \$6,000 of the just value of the
3 property. It also provides that veterans receive an exemption of between \$10,000 and
4 \$50,000 based on their United States Department of Veterans Affairs service-connected
5 disability rating. Part A provides that veterans' survivors remain eligible for the benefit
6 that the veteran would be eligible for if the veteran was living.

7 Part B eliminates tax credits for investment in qualified professional baseball facilities
8 and for major business headquarters expansion; eliminates the discounted rate on cigarette
9 stamps for licensed distributors; eliminates the refund on sales tax on purchases of parts
10 and supplies for windjammers; and reduces the value of the aggregate amount of tax credit
11 certificates that the Finance Authority of Maine may authorize under the Maine Seed
12 Capital Tax Credit Program for investments made in calendar year 2026 from \$15,000,000
13 to \$10,000,000.