**Real Estate Property Tax Relief Task Force**
Resolve 2025, chapter 108
Tuesday, September 15th at 10 a.m.
Room 126 (Transportation Committee Room)
State House, Augusta, ME

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## Agenda

**10:00 am** **Welcome**
*Chairs, Senator Nicole Grohoski & Representative Ann Matlack*

**10:05 am** **PPI Update, Task Force Work Plan Overview, and Goals for Remaining Meetings**
*Chairs, Senator Nicole Grohoski & Representative Ann Matlack*

**10:15 am** **Constitutional Considerations with Changes to the Property Tax System**
*Dan Pittman, Office of Tax Policy, Maine Revenue Services*

**11:15 am** **Follow up to Items Discussed at June 30th Meeting**
*Task Force Staff (items may be taken up in any order)*

- Maine's Homestead Exemption – Irrevocable Trust Eligibility
- Property Tax Deferral Programs – Maine and Other States
- Circuit Breaker Programs – Maine and Other States
- Property Tax Assessment Limits – Other State Examples
- Current Municipal Funding Options – PILOTS, Service Charges, and Impact Fees

**12:30 pm** ***Lunch***

**1:30 pm** **Continued Review and Discussion of Follow up Items**
*Task Force Staff & Members*

The meeting can be livestreamed either on the Legislature's webpage or on YouTube:

- https://legislature.maine.gov/Audio/#126
- https://www.youtube.com/mainestatelegislature (Select the Maine Legislature Channel that includes the committee room where the meeting is being held.)

Links to archived meeting video for both the Legislature's webpage and YouTube will be posted to the Task Force's webpage when they are available.

Real Estate Property Tax Relief Task Force
Draft work plan – 09/15/26

| | |
|---|---|
| Meeting 1:<br>**May 18th** | ▪ Progress and Poverty Institute (PPI) report presentation<br>▪ Staff overview of prior report and property tax changes enacted by 132nd Legislature and related topics<br>▪ Discussion of Task Force approach to remaining work |
| Meeting 2:<br>**June 10th** | ▪ Follow up information from Maine Municipal Association<br>▪ Follow up discussion with PPI regarding report<br>▪ Member discussion of outstanding questions, desired information/presentations<br>▪ Discussion of possible recommendations or areas of focus |
| Meeting 3:<br>**June 30th** | *Joint meeting with Taxation Committee*<br>▪ Discussion of possible recommendations or areas of focus<br>▪ Straw vote re: moving forward with possible recommendations or areas of focus |
| Meeting 4:<br>**September 15** | ▪ Maine Revenue Services presentation on constitutional considerations related to property tax changes<br>▪ Task Force staff presentations related to possible recommendations or areas of focus discussed at 06/30 meeting |
| Meeting 5:<br>**September 29** | ▪ Maine Office of Community Affairs will present regarding regionalization efforts<br>▪ Maine Revenue Services presentation on PTFC timing issue<br>▪ Task Force staff presentations related to possible recommendations or areas of focus discussed at 06/30 meeting |
| Meeting 6:<br>**October 21st** | ▪ PPI presentation of findings – draft report: Research Proposals: Relief Program Modeling |
| Meeting 7:<br>**November 4th** | ▪ PPI discussion of findings – final report: Research Proposals: Relief Program Modeling |
| Final meeting:<br>**November 17th** | ▪ Review/vote on final recommendations; review any draft legislation or report language available. |
| **Legislature convenes:** December 2nd<br>**REPORT DUE:** December 15, 2026 | |

Prepared by the Office of Policy and Legal Analysis

# Real Estate Property Tax Relief Task Force

This document includes recommendations and areas of interest[1] discussed at the Task Force's June 30, 2026 meeting that will assist the Task Force in completing its work when it resumes meeting in the fall. Please note that this is a planning document and items on this list may be explored in varying levels of detail, as determined by the chairs.

| | Recommendation/Area of Interest | Number of votes in favor |
|---|---|---|
| **Homestead Exemption** | | |
| 1 | • Evaluate impact of increasing homestead exemption. | 9 |
| 2 | • Evaluate impact of increasing the homestead exemption and providing a 100% reimbursement to municipalities. | 6 |
| 3 | • Expand eligibility to include property held by irrevocable trusts when the beneficiaries are long-term, full-time residents. | 10 |
| **Property Tax Fairness Credit** | | |
| 4 | • Evaluate impact of expanding income eligibility and/or increase benefit amount. | 10 |
| 5 | • Address timing issue (i.e., reimbursement versus immediate application to offset property tax liability). | 10 |
| 6 | • Evaluate impact of limiting property tax liability to no more than a percentage of income. | 10 |
| 7 | • Evaluate impact of Homestead plus proposal. | 10 |
| **Property Tax Deferral Program** | | |
| 8 | • Increase uptake of program & make program more appealing which could include changes to income/asset limits; consideration of and/or changes to the impact of lien on credit; reduction of interest rate; adjustments to payment plan structure/eligibility for those who may inherit; consideration of ownership types that are eligible; adjustments to acreage limits. | 10 |
| **Current Use Programs, Exempt Property and Personal Property Exemptions** | | |
| 9 | • Establish review cycle for current use programs, exempt property, and personal property exemptions to ensure programs are still meeting the purpose for which they were created. | 10 |
| **PILOTS** | | |
| 10 | • Discuss options related to PILOTS and municipal service charges, including tracking of PILOTS by MRS. | 9 |
| **Property Tax Assessment Processes - Determining Assessed Value** | | |
| 11 | • Explore ways to ensure more frequent municipal revaluations:<br>o Examine challenges to conducting more frequent valuations and identify what incentives/penalties exist under current Maine law;<br>o Identify ways in which the State can support or assist municipalities in conducting more frequent valuations; | 9 |

[1] This document does not include recommendations or areas of interest for which fewer than 2 votes were received.



Prepared by the Office of Policy and Legal Analysis

| | | |
|---|---|---|
| | ○ Consider recommending MRS training for assessors on statistical update process. | |
| 12 | • Seek additional information regarding FL approach -freezing PT assessment at amount related to sale price. | 5 |
| **Municipal & County Level Proposals** | | |
| 13 | • Incentivize or otherwise encourage regionalization/consolidation of services (not education related). | 7 |
| 14 | • Continue discussion of municipal auditing; examine any current requirements for municipal and county audits and compare them to practice. | 9 |
| 15 | • Unfunded mandates – obtain additional information on municipal costs and burdens; consider impact on municipalities and on property taxpayers the TF is trying to help. | 10 |
| **Establish/Reform other Taxes/Fees or Revenue Sources** | | |
| 16 | • Consider legality of allowing municipalities to impose local option sales taxes. | 7 |
| **Revenue Sharing** | | |
| 17 | • Look at restructuring Revenue Sharing II to get more relief for service centers by considering the current definition of service center. | 9 |
| **Property Tax Rates – split rate or split-roll** | | |
| 18 | • Consider legality of establishing split-rate or split-roll property taxes. | 9 |
| 19 | • Consider property taxes with different rates for land and buildings. | 3 |
| 20 | • Consider property taxes with different rates for homestead v. non-homestead property. | 9 |
| 21 | • Consider property taxes with different rates for commercial v. residential property. | 4 |
| **State Funding of Certain Costs** | | |
| 22 | • Jail funding - what would be the economic impact of the State fully funding jail costs? | 5 |
| 23 | • Education funding - what would be the economic impact of the State fully funding EPS costs? | 5 |

# Real Estate Property Tax Relief Task Force

*Task Force Member and Public Comment*

*Received Since Last Task Force Meeting*

September 15, 2026

DICK WOODBURY
JUNE 30, 2026

# HOMESTEAD PLUS

## Research Questions

### *Objective*

What differentiates *Homestead Plus* from a simple PTFC enhancement is that it is budget neutral to the general fund. Thus, the legislature can enact it without needing to "find" extra revenues or reductions in spending from other parts of the budget. It just targets differently the money that the state is already spending on property tax relief.

Thus, the only question is whether legislators like the resulting apportionment of the property tax better than the apportionment that exists now.

The research objective, therefore, is to calibrate a high-participation PTFC formula that is budget neutral to the general fund, using an incremental ~$400 million in PTFC credits (i.e., by reallocating what is currently spent on revenue sharing and homestead exemption reimbursements).

The nine tweakable formula parameters are highlighted as follows:

- Allowable base: $6000 for single / $8000 for multiple person households.
- Maximum benefit of (no maximum) with implicit income phase-out.
- 40% of taxes above 4% of income
- 60% of taxes above 8% of income
- 80% of taxes above 12% of income

The research needs to calibrate the formula to be budget neutral and then estimate the impact on different taxpayers.

### *Research Steps*

1. *MRS Gut Check*. Based on past experience with dozens of PTFC reform proposals, is the above formula in the right ballpark of budget neutrality? If not, let's consult with the chairs on how to tweak it before initial estimation.

2. *MRS Simple Fiscal Note*. Run a simple fiscal note without the dynamics of the lost revenue sharing and homestead changes. Basically, we'll be estimating the cost without the increased mil rates that will result from the reapportionment. (Call this the "Nutting" version; we'll find the money elsewhere.)

3. *Calibration 1*. If the fiscal note from #2 is $350-$375 million, it seems like we're in the ballpark, because higher mil rates (from lost revenue sharing and homestead reimbursement) will raise the cost of the enhanced PTFC. If it's not in the ballpark, let's consult with the chairs on how to tweak the formula before moving to #4.

4. *MRS Full Fiscal Note*. Run the full fiscal note estimation, including the elimination of existing revenue sharing and the existing homestead exemption.

5. *Calibration 2*. Assuming we're not perfectly budget neutral, let's consult with the chairs at this point to recalibrate, and iterate to revenue neutrality.

6. *Taxpayer Impact*. Once we have a budget neutral formula, run a series of impact analyses on illustrative taxpayers (residents by income, property value, and mil rate; vacation properties, retail properties, commercial properties, etc.).

7. *Evaluation and Potential Recalibration*. Consult with the chairs on the results up to this point. Does this seem like a budget neutral reform worth sharing with the full task force or should further recalibration tweaks be explored first?

## Laxon, Lindsay

| | |
|---|---|
| **From:** | Dick Woodbury <dickwoodbury1@gmail.com> |
| **Sent:** | Tuesday, June 30, 2026 8:36 PM |
| **To:** | Grohoski, Nicole; Matlack, Ann |
| **Cc:** | Laxon, Lindsay; Olson, Rachel; Lacy, Peter W; Allen, Michael J; Stephen Hoskins |
| **Subject:** | Research Proposal for Homestead Plus |
| **Attachments:** | Homestead Plus - Research Questions 20260630.pdf |



Dear Nicole and Ann,

Attached is a first pass at a research proposal for Homestead Plus. I'd love to hear your thoughts on this. Great meeting today.

Cheers,
Dick

Current Use and Exemptions
Initial Recommendations and Discussion Topics
Kerry Leichtman, 7/23/2026

- Shift jails and schools to income tax
  - As a result of this shift, consider eliminating revenue sharing
- Broad change to all current use programs
  - Add a Maine residency requirement for participation
    - offer 12-month period in which current non-resident participants can exit penalty free or become Maine residents
  - Do not permit participants of one program to transfer into another program for the purpose of avoiding having to pay a withdrawal penalty. They can change programs after paying the fine
- Then, more specific program changes to eliminate abuses in the programs
    - examples of this are:
      - Farmland
        - increase gross income requirement. Consider raising the minimum to $10,000, $15,000 or $20,000
        - do not allow consumed farm products to count towards income total
        - eliminate Farmland tree growth
        - eliminate contiguous land rule where individual parcels of less than five acres can be admitted into the program if they are contiguous with one 5 acres parcel
        - create a livestock/eggs category
        - require MRS and Ag Dept to follow 36 MRS §1119 in which they are required to develop guidelines of suggested acreage value ranges for all categories of permitted farm products
        - Clarify the specifics of how often property owners need to report income
          - 1040F should be the only acceptable income evidence
          - The one of two and three of five year income requirement should only apply to blueberry crops
          -

        - There should be an allowance for a farmer's temporary infirmity
  - Tree Growth:
    - increase minimum acreage
    - allow assessors to keep plans on file
    - assessors can return plan to foresters for clarification
    - assessors can reject plans
    - require that harvested trees be processed at Maine facilities
    - land on which trees may not be harvested are ineligible for the TG program (i.e. shoreland zones)
    - land whose terrain or other physical features make harvesting exceedingly difficult, impossible or impractical are not eligible for the TG program
  - Open Space
    - require carbon sequestration as the primary goal in managed forest category
    - tighten and more precisely define public benefits list
    - Valuation reductions
      - Permanently Protected Open Space: A 30% discount in which conservation rights are deeded toa conservation organization
      - Carbon Managed Open Space: A 30% discount requiring an approval Forest Management Plan the goal of which is to maximize carbon storage
      - Public Access Open Space: A 30% discount for allowing public access. Public Access open Space.
      - Any single category can be added to one or both of the other categories

- Exemptions
  - create Schools category and define what kind of schools are exempt
    - public schools and accredited private schools are exempt
    - schools for professional development and hobbies are not
  - consider changes to religious exemption
    - exempt land under churches and parking lots. All other land is taxable
  - review benevolent and charitable guidelines. Suggested changes:

- First line of 36 MRS §652.1.A: The real estate and personal property ~~owned and occupied or used solely~~ owned, occupied and used solely for their own purposes by incorporated benevolent and charitable institutions are exempt from taxation.
- First line of 36 MRS §652.1.B: The real estate and personal property ~~owned and occupied or used solely~~ owned, occupied and used solely for their own purposes by literary and scientific institutions are exempt from taxation.
- First line of 36 MRS §653.F: The real estate and personal property ~~owned and occupied or used solely~~ owned, occupied and used solely for their own purposes by central labor councils, chambers of commerce or boards of trade in this State are exempt from taxation.
- J. ~~The real and personal property owned by one or more of the organizations in paragraphs A and B and E to H and occupied or used solely for their own purposes by one or more other such organizations are exempt from taxation.~~ The real and personal property owned, occupied and used solely for their own purposes by one or more of the organizations in paragraphs A and B and E to H are exempt from taxation.
- K. ~~Except as otherwise provided in this subsection, the real and personal property leased by and occupied or used solely for its own purposes by an incorporated benevolent and charitable organization that is exempt from taxation under section 501 of the Code and the primary purpose of which is the operation of a hospital licensed by the Department of Health and Human Services, a health maintenance organization or a blood bank are exempt from taxation. For property tax years beginning on or after April 1, 2012, the exemption provided by this paragraph does not include real property.~~ Except as otherwise provided in this subsection, no property leased by an incorporated benevolent and charitable organization that is exempt from taxation under section 501 of the Code is eligible for exemption from taxation.
- **Sec. 2. 36 MRSA §652, sub-§1-A is enacted to read:**
  - **1-A. Taxation of property otherwise exempt under subsection 1.** Notwithstanding subsection 1, beginning

April 1, 2027, all real and personal property that is described in subsection 1 and that would otherwise be exempt from taxation under subsection 1 is taxable based on the following percentages of just value:

        - A. For the property tax year beginning April 1, 2027, 10% of just value;
        - B. For the property tax year beginning April 1, 2028, 20% of just value;
        - C. For the property tax year beginning April 1, 2029, 30% of just value;
        - D. For the property tax year beginning April 1, 2030, 40% of just value; and
        - E. For property tax years beginning on or after April 1, 2031, 50% of just value.
    - **Sec. 3. Legislative intent.**
    - It is the intent of the Legislature that eligibility for a property tax exemption under the Maine Revised Statutes, Title 36, section 652 requires actual ownership, physical occupancy and exclusive use of the property by the organization claiming the exemption, and that exemptions under that section be strictly limited to property that clearly meets those requirements.

- Increase MRS oversight of assessing standards
    - 70-110% ratio standard should be 90-110
    - Revaluations or statistical updates are required every 3, 5 or 7 years (might require Constitutional amendment)
    - real penalties for non-compliance
- Split tax rate Constitutional amendment
    - possible splits
        - homestead properties : non-homestead
        - commercial : residential

## Laxon, Lindsay

**From:** Kerry Leichtman <kleichtman@camdenmaine.gov>
**Sent:** Thursday, July 23, 2026 1:54 PM
**To:** Vinnie Caliendo; Allen, Michael J; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; Olson, Rachel
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven
**Subject:** RE Property Tax Relief Task Force - current use & exemption thoughts and ideas
**Attachments:** initial recommendations - current use and exemptions.docx

**This message originates from outside the Maine Legislature.**

Hello Task Force members,

I hope everyone is enjoying the summer break. I also hope you won't mind this intrusion on it. I've synthesized years of thoughts into the attached outline. The overall thinking is to discourage abuses while fine-tuning program objectives toward those who will benefit most from them.

See you all in the fall.

Best,
Kerry

Kerry Leichtman, CMA
Assessor
Towns of Camden and Rockport

kleichtman@camdenmaine.gov 207.236.3353 ext 7106
assessor@rockportmaine.gov 207.236.6758 ext 5
http://camdenmaine.gov
http://rockportmaine.gov



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**From:** Vinnie Caliendo <vinniecaliendo@yahoo.com>
**Sent:** Thursday, June 4, 2026 11:14 AM
**To:** Allen, Michael J <michael.j.allen@maine.gov>; Bickford, Bruce <bruce.bickford@legislature.maine.gov>; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole <nicole.grohoski@legislature.maine.gov>; Kerry Leichtman <kleichtman@rockportmaine.gov>; Kerry Leichtman <kleichtman@camdenmaine.gov>; Lacy, Peter W <peter.w.lacy@maine.gov>; Matlack, Ann <ann.matlack@legislature.maine.gov>; matt@freeporthousingtrust.org; Nutting, Robert <robert.nutting@legislature.maine.gov>; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; Olson, Rachel <rachel.olson@legislature.maine.gov>
**Cc:** Griswold, Jessica <jessica.griswold@legislature.maine.gov>; Laxon, Lindsay <lindsay.laxon@legislature.maine.gov>;

**Laxon, Lindsay**

| | |
|---|---|
| **From:** | cemery4@maine.rr.com |
| **Sent:** | Tuesday, July 14, 2026 2:05 PM |
| **To:** | RE Propery Tax Relief Task Force |
| **Subject:** | RE: Automatic reply: property taxes |
| **Follow Up Flag:** | Follow up |
| **Flag Status:** | Flagged |

**ALERT** This email looks suspicious and may have been automatically generated. Be careful as this is likely spam. If you disagree, mark as Safe/Phishing using the Outlook Add-In. Powered by CyberSentriq.

**This message originates from outside the Maine Legislature.**

We have messaged a few times hoping to get help on our property taxes.Because our home is in a trust fund we have lost our Homestead Property Relief and nobody seems to care. We are 76 years old and pay our property taxes each year on time to the town of Norway.We need help paying taxes as much as any other senior. Rick Bennett wants to help with high property taxes and increase the Homestead exemption help. Can he or anyone else help us out? Please take this matter up. The Emerys 9 High Ridge Rd Norway Maine 04268

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From: "RE Propery Tax Relief Task Force" <re.ptax.relief@legislature.maine.gov>
To: <cemery4@maine.rr.com>
Sent: February 24, 2026 at 11:47 AM EST
Subject: Automatic reply: property taxes
Thank you for your email. This mailbox is not monitored while the Legislature is in session; however, your comments will be provided to the Task Force members when they resume meeting, likely in early summer of 2026.

**Laxon, Lindsay**

**From:** Sam Purinton <mr.spurinton@gmail.com>
**Sent:** Friday, August 28, 2026 11:54 AM
**To:** RE Propery Tax Relief Task Force
**Subject:** The PTTF should consider outlining its recommended constitutional amendment

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

This message originates from outside the Maine Legislature.

Hi all,

Apologies if this has been discussed - I'm only part way through the first meeting in June, so I'm a little behind.

I've been knocking on alot of doors this year and talking to alot of candidates for State House, and I come away certain that there will be a constitutional amendment related to property taxes that passes the next Maine congress. Property taxes are front of mind for a vast majority of both voters and candidates, and there will be immense pressure for dramatic reform when the next legislature opens.

As the members of the tax force have learned, not all tax reforms are created equal. Therefore, it is vitally important the PTTF uses its expertise and diversity of perspectives to outline what a good amendment looks like (and what a bad amendment looks like) so that if an amendment goes through, it provides meaningful relief without doing irreparable damage to the State economy.

Thank you for your service,

Sam

**Laxon, Lindsay**

| | |
|---|---|
| **From:** | Beth Schultz <schultz5maine@gmail.com> |
| **Sent:** | Thursday, September 10, 2026 12:02 PM |
| **To:** | RE Property Tax Relief Task Force |
| **Subject:** | County Budgets + Property Taxes |
| **Attachments:** | image (1).png |
| **Follow Up Flag:** | Follow up |
| **Flag Status:** | Flagged |



Dear Members of the Property Tax Relief Task Force,

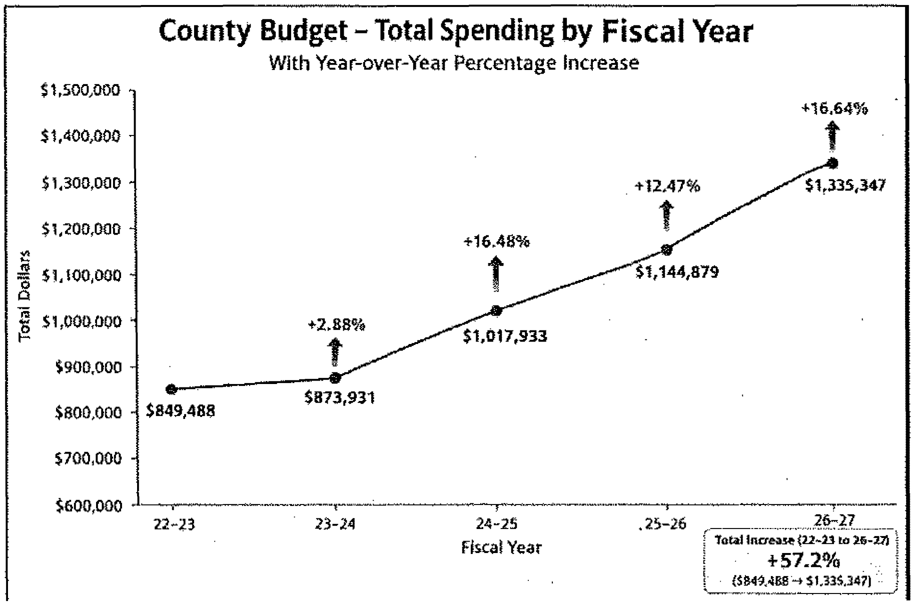
I'm writing with concerns about the county portion of property taxes in Maine, as local residents have no way to vote down county budget increases.

As you can see, the **Sagadahoc County** budget for Woowich has increased substantially since 2022–23. Is there any pending legislation that would allow the public to vote on the county budget, similar to the way we vote on the school budget? Is there also any pending legislation regarding lowering county levy limits?

An increase of 57.2% over five budgets would not be possible in the 31 states with property tax levy limits.

Quite honestly, I will not retire in a state that doesn't have legislation in place to prevent huge budget increases like this. Our retired population cannot afford these huge increases in property taxes. Massachusetts has Prop 2 1/2. Have you considered something like this legislation in Maine?

Increases in property assessments do not, by themselves, cause property taxes to rise. It is the increase in spending, combined with the lack of levy limits following the repeal of LD 1 and the passage of LD 2102 in August 2024, that is contributing to these increases. I appreciate your review of my concerns before your next meeting on September 15th. Please include my email and graph in your packet. Best, Beth Schultz, Woolwich, Maine, Sagahadoc County 207.841.8331


County Budget – Total Spending by Fiscal Year
With Year-over-Year Percentage Increase
$1,500,000
$1,400,000
$1,300,000
$1,200,000
$1,100,000
$1,000,000
$900,000
$800,000
$700,000
$600,000
Total Dollars
$849,488
+2.88%
$873,931
+16.48%
$1,017,933
+12.47%
$1,144,879
+16.64%
$1,335,347
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Total Increase (22-23 to 26-27)
+57.2%
($849,488 → $1,335,347)

## Laxon, Lindsay

**From:** Philip R. Saucier <psaucier@bernsteinshur.com>
**Sent:** Monday, September 14, 2026 10:36 AM
**To:** Laxon, Lindsay
**Subject:** FW: Property Tax Relief Task Force - RSU1 Board Member

This message originates from outside the Maine Legislature.

Hi Lindsay,

I received the following email from Jennifer Ritch-Smith with her ideas for the property tax relief based on her experience on the RSU 1 School Board. I let her know I would forward this to you for inclusion in the list of public correspondence the Committee has received.

Thank you,
Phil

-----Original Message-----
From: Jennifer Ritch-Smith <jritchsmith@gmail.com>
Sent: Sunday, September 13, 2026 1:36 PM
To: Philip R. Saucier <psaucier@bernsteinshur.com>
Subject: Re: Property Tax Relief Task Force - RSU1 Board Member

--External Email---

Hi Phil,
I will try to reach you tomorrow but the following is brief outline of a few ideas for property tax relief plans.

During a combination of working in a classroom and as a school board director, I have been involved in public education for the past 25 years, so I look at one of the biggest demands on property taxes as the public school budget. The following are ideas to reduce the impact on property municiple mil rates:

1. Transfer the school employer portion of Maine Pers contributions for staff wages Back to state funding. The funding source would be the current annual Maine Pers UAL contribution that sunsets in 7/1/2028. The funding levels could begin with funding up the new state mandatory minimum for teacher salaries.

2. Require all schools to bill 100% of eligible Maine Care reimbursable services.

3. Shift school employee positions for social services back to state employment. Keep the positions located in schools but redefine these positions as state not local employees, ie social workers, and 3 year old child services, etc.

4. Prohibit the transfer of programs that are established with grant or federal funding to become local funded cost. If a program or service begins with grant money it must continue to funded by non tax payer funding.

5. Require that school budget referendums are presented to voters clearly defined by cost of mandatory cost (state, federal, or legally) and the cost of elective programs. This would allow voters to support the cost of mandatory programs and separately vote for lower or capped elective programs spending.

If any of these ideas have legs and you have more questions I am always happy to discuss further.

Thank you for your work in the task force. Many struggling folks want the best for schools and our town services but are now unable to keep up with the cost of basic necessities.

Best, Jenny

**Maine State Legislature**
**OFFICE OF POLICY AND LEGAL ANALYSIS**
www.mainelegislature.gov/opla
13 State House Station, Augusta, Maine 04333-0013
(207) 287-1670

**MEMORANDUM**

**TO:** Members, Real Estate Property Tax Relief Task Force

**FROM:** Steve Langlin, Legislative Analyst

**DATE:** September 15, 2026

**RE:** Irrevocable trusts and the homestead exemption

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The Real Estate Property Tax Relief Task Force asked nonpartisan staff to research irrevocable trusts and eligibility for homestead exemptions.

**Revocable trust vs. irrevocable trust:**

Generally, revocable trusts differ from irrevocable trusts in that revocable trusts allow the grantor (person establishing the trust) to maintain control over their assets, including by amending the terms of the trust freely. The grantor also retains access to trust assets. Assets in a revocable trust are subject to creditors' claims and count when applying for MaineCare long-term care benefits.

Irrevocable trusts do not allow the grantor to access their assets but often shelter assets from creditors or protect assets. Assets placed in the irrevocable trust can be distributed by the trustee only in accordance with the terms of the trust. Irrevocable trusts are often used for MaineCare long-term care benefits planning. However, they are subject to a five-year "look back" period and transfer-of-asset penalty when applying for those MaineCare long-term care benefits.

This chart below from MetLife shows the differences between revocable trusts and irrevocable trusts.

| | Revocable Trust | Irrevocable Trust |
|---|---|---|
| **Can it be easily changed once created?** | Yes. Revocable trusts allow for changes including who the beneficiaries and trustees are, what assets are included and instructions for asset distribution. | No. Once an irrevocable trust is created, it can't be changed or canceled unless the beneficiaries sign off on the modifications (a court may also need to approve them). |
| **Is it subject to estate taxes?** | Yes. Because the trust is still under the grantor's ownership, it can be subject to estate tax. | Typically, no. By removing assets from your ownership into the trust, you may be able to help protect them from estate tax. |
| **How long does the trust last?** | Revocable trusts last as long as you want them to and can be canceled at any time. At the time | Irrevocable trusts are permanent. They last for your entire lifetime and after you've passed. |

| | Revocable Trust | Irrevocable Trust |
|---|---|---|
| | of your death, a revocable trust becomes irrevocable. | |
| **Is it excluded from probate court?** | Yes. | Yes. |
| **Is it kept off the public record?** | Yes, so you can keep your information (and that of your loved ones) private. | Yes, so you can keep your information (and that of your loved ones) private. |

Source: https://www.metlife.com/stories/legal/revocable-vs-irrevocable-trust/

**Current Maine law:**

Title 36 MRSA §681-sub-§2, amended recently in Public Law 2025, ch. 610 (Part M of LD 2212) reads that "*homestead means any residential property in this State assessed as real property owned by an applicant and occupied by the applicant as the applicant's permanent residency. "Homestead" does not include any real property used solely for commercial purposes*."

"Owned by an applicant" is also defined to mean, in part, "*real property held in a revocable living trust for the benefit of an applicant*."

In Public Law 2025, ch. 610, the homestead exemption and the tax exemptions for legally blind persons and estates of veterans were combined as part of Title 36, Subchapter 4-B: Maine Resident Homestead Property Tax Exemption beginning with property tax years on or after April 1, 2027.

**Previous legislation to remove revocable trust requirement:**

LD 565, sponsored by Sen. Baldacci in the 132nd Legislature, sought to amend the definition of "homestead" under the Homestead Property Tax Exemption laws to remove the requirement that the trust be revocable. LD 565 was ultimately voted unanimously "ought not to pass" by the Joint Standing Committee on Taxation. Testimony was generally in opposition to the proposal, with written testimony noting that the beneficiary of an irrevocable trust can be anyone, such as a corporation. Testimony leaning in favor noted that the law would still require the applicant to reside in the property, even while allowing irrevocable trusts, so as long as that can be verified, the risk for abuse remains lower.

**Other states that allow irrevocable trusts and homestead exemptions:**

According to research provided to legislative staff from the National Conference of State Legislatures, attached, there are 18 states that allow homestead exemptions to be maintained for property held in irrevocable trusts, under certain circumstances.

Generally, if a state allows a homestead exemption with an irrevocable trust, the exemption continues if the homeowner is the beneficiary/occupant. If the homeowner is not the beneficiary/occupant, no exemption is permitted. The specific requirements vary from state to state.

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**MEMORANDUM**

**TO:** Members, Real Estate Property Tax Relief Task Force

**FROM:** Rachel Olson, Legislative Analyst

**DATE:** September 15, 2026

**RE:** *Residential Property Tax Deferral Programs*

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The Real Estate Property Tax Relief Task Force is tasked with exploring property tax relief measures and programs used by other states, particularly those states similar in geography, demographics, resident income or state and local government structure, to determine whether those relief programs could be adapted to this State.[1] During meetings in 2025 and 2026, the Task Force received information on Maine's Homestead Property Tax Deferral for Seniors and Persons with Disabilities program. It was noted that participation rates for the deferral program are low. During the June 30, 2026, meeting of the Task Force, a majority of members indicated an interest in exploring actions that could lead to increased participation in the deferral program. This may include changes to the program to make it more appealing, such as changes to income or asset limits, a reduction to the applicable interest rate, adjustments to the payment plan structure or eligibility for those who may inherit a property in the deferral program, expanding eligible ownership types, increasing acreage limits, better understanding of the impact of the lien on a homeowners credit or other financial decisions and increased awareness or education related to the program. The purpose of this memo is to provide an overview of property tax deferral programs in other states, including elements related to eligibility, the application process, and interest rates. This memo will also summarize Maine's Homestead Property Tax Deferral for Seniors and Persons with Disabilities program and provide a brief overview of recent changes to the program.

**Residential Property Tax Deferral Programs:**

Tax deferral programs are a form of direct property tax relief, meaning that the program provides a tax reduction to particular taxpayers. In this case, the reduction is only applicable to the taxpayer while the property is eligible for the program and the amount reduced is eventually repaid with interest.

**Residential Property Tax Deferral Programs Nationwide (2024):**

In general, property tax deferral programs allow homeowners to delay payment of some or all their property taxes until ownership of the property is transferred or until some other event that results in the loss of eligibility as determined by the program. At that point, deferred taxes become due, typically with accrued interest. These programs allow homeowners to draw on their own home equity to pay current property tax bills.

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[1] Resolve 2025, c. 108, Sec. 6, sub-§2, ¶B

Eligibility for deferral programs varies widely across the nation. Most programs are designed for senior citizens and have income restrictions, although what constitutes income also varies widely. Some programs also include people with disabilities. Some states offer the program to other groups of taxpayers under certain conditions. Generally, the property must qualify as a homestead, with some states setting additional length of residency requirements or connecting eligibility with other state homestead property tax relief programs. Data from the Lincoln Land Institute's *Significant Features of the Property Tax Database* regarding property tax deferral programs in 2024 indicate that 18 states offer statewide deferral programs for senior citizens and/or people with disabilities, with some programs also including other eligible groups. A chart is attached detailing these programs.[2]

Other common eligibility criteria include: total net worth or liquid assets, value of the property in the program, must be free of other real property security interests, a certain amount of equity in the property, acreage, home type, and increases in property tax liability of a certain percentage.

Administratively, these programs place a lien on the property and require interest to accrue on the portion of property taxes that are deferred. The rates vary widely by state. Some are tied to a standard national financial interest rate, while others are established as a flat rate and others use a hybrid system by setting upper and lower limits. Some programs limit the total amount that may be deferred based upon a percentage of total property value. Other programs limit the amount of time a property may be in the program. Many programs require annual or less frequent applications or renewals and some limit the number of participants.

A handful of states offer more limited programs, such as programs only for members of the military on active duty (4) or programs that only allow for deferral of special assessment taxes (2). Eleven states appear to have offered local deferral programs in 2024. These programs generally require the municipality or county to opt-in the program and possibly set their own criteria. These programs are not included in the attached chart.

It appears that, nationwide, participation rates for deferral programs are quite low. Various articles suggest that participation may be so low due to a variety of factors, including the lien placed on the property that the homeowner may want to pass to heirs, high interest rates, complicated eligibility requirements or application procedures and lack of awareness of the program.

- An Arizona Property Tax Exemption Report from 2023 noted that "because of its [deferral program] numerous requirements and limitations, and its one-year maximum applicability, this program is rarely utilized by taxpayers."[3]
- "There were 1,337 homeowners that received a property tax loan from the program in 2022-23—about one-quarter of what it was prior to the program being suspended (2009-2014) and about one-tenth of what it was a few decades ago."[4]

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[2] Please visit here to view the database and generate your own report: https://apps.lincolninst.edu/data/significant-features-property-tax/access-database

[3] Ariz. Dep't of Revenue, *Property Tax Exemptions (42)* (Apr. 2023, addendum Nov. 2023), https://azdor.gov/sites/default/files/2023-05/PROPERTY_PropertyTaxExemptions.pdf.

[4] Ross Brown, *The 2024-25 Budget: Property Tax Postponement Program*, Legis. Analyst's Off. (Feb. 29, 2024), https://lao.ca.gov/LAOEconTax/Article/Detail/800.

- According to a presentation from the Colorado Department of the Treasury, "for the 2023 property tax year, there were 1,042 deferrals awarded in 30 counties… with 82% of participants being seniors."[5]
- A fiscal note for a bill before the Idaho Legislature in 2026 indicated their program had "a low number of users."[6]
- A news article from KPTV in Oregon in December 2025 noted that their "Property Tax Deferral Program, created in 1962, had more than 12,000 participants in the 1980s but dropped to about 3,500 last year."[7]

Below is a summary table of key information from the attached chart:

| State | Age? | Disabled Persons? | Veterans/ Military? | Other? | Income limits | Interest Rates |
|---|---|---|---|---|---|---|
| AZ | 70+ | | | | Taxable income <$10,000 | ? |
| CA | 62+ | x | | | Household income <$51,762 (2023) | 5% |
| CO | 65+ | | Active duty only | Tax Growth Cap (rpl.) | | Most recent 10-year treasury note |
| D.C. | 75+ | | | All, low-income, low-income senior | Household AGI <$50,000 | 6% annually |
| FL | 65+ | | | All homesteads based on AGI | To defer all (and not just portion above % of income) <$10,000/ <$36,614 | May not exceed 7% |
| GA | 62+ | | | | Gross household income <$15,000 | Equal to 3/4 of the rate for past due taxes, which is the bank prime loan rate posted by the Board of Governors of the Federal Reserve System, plus 3%. |
| ID | 65+ | x | Disabled veteran | Orphan, widow/er, person taken by hostile force | Income <$58,304 | ? |
| IL | 65+ | | | | Household income <$65,000 | 3% |
| ME | 65+ | x | | | <$80,000 | Equal to the prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year, rounded up to the next whole percent. (10% in 2024, 9% current) |

[5] Colo. Dep't of the Treasury, *Property Tax Deferral Program (9)*, Presentation to the Property Tax Commission (Sept. 26, 2024), https://content.leg.colorado.gov/sites/default/files/images/final_tax_property_commission_presentation.pdf.
[6] Statement of Purpose/Fiscal Note, H.B. 355, 68th Leg., 1st Reg. Sess. (Idaho 2025), https://legislature.idaho.gov/wp-content/uploads/sessioninfo/2025/legislation/H0355SOP.pdf.
[7] Anna Katayama, *Oregon Property Tax Deferral Program Sees Declining Participation Despite Available Funds*, KPTV (Dec. 30, 2025), https://www.kptv.com/2025/12/30/oregon-property-tax-deferral-program-sees-declining-participation-despite-available-funds/.

| | | | | | | |
|---|---|---|---|---|---|---|
| MA | 65+ | | | | Gross receipts <$20,000 | 8% |
| MN | 65+ | | | | Total household income <$96,000 | Not exceed 5% |
| NV | | | | Low-income with economic hardship outside their control; limited to 3 years | Below federal poverty level | 6% |
| **State** | **Age?** | **Disabled Persons?** | **Veterans/ Military?** | **Other?** | **Income limits** | **Interest Rates** |
| NC | 65+ | x | | | Income limit of <$55,000 | ? |
| OR | 62+ | x | | | Household income <$55,500 | 6% |
| SD | 70+ | | | | Household income <$17,392/$21740 | 4% |
| TX | 65+ | x | Disabled veteran or surviving spouse of member KIA | Appreciating Residence Homestead | | 5% / 8% |
| UT | 75+ | | | Deferral for Large Increases | Income <$81,000 (senior program) | Accrue interest at a rate equal to 50% of the sum of 6% and the federal funds target rate established by the Federal Open Markets Committee on the prior 1 January if the rate is not less than 7% or more than 10%. |
| WA | 60+ | retired due to disability | | Limited income (<$57,000) | For 2020-2024, the limit is the greater of $45,000 or 75% of the county median household income. | 5% / federal short-term rate +2% |

**<u>Maine's Senior Property Tax Deferral Program:</u>**

The current property tax deferral program was enacted in Public Law 2021, c. 483. This public law reinstated the program that had been in effect for applications filed before April 1, 1991 (originally established in Public Law 1989, c. 534) The new version modified the older program including modifications to who is eligible, an increase to the maximum income level, a change to the rate of accrual of interest, maximum liquid asset standards, establishing a transfer of funds to cover the program in the event funds in the program fund are not sufficient to cover costs, with required reimbursement when funds become available and few other administrative elements and a few other technical modifications.

The interest rate under the previous program was set at 6% and the previous maximum income level was $32,000 (in 2021, set at $40,000 – currently $80,000). An overview of the current program is provided in MRS Property Tax Division Bulletin No. 34 (9.22.2025) attached to this memo.

# MAINE REVENUE SERVICES
# PROPERTY TAX DIVISION
# BULLETIN NO. 34

## STATE PROPERTY TAX DEFERRAL PROGRAM

REFERENCE: 36 M.R.S. §§ 6250 through 6266
September 22, 2025; NEW

1. General

The Deferred Collection of Homestead Property Taxes Program, also known as the State Property Tax Deferral Program ("Deferral Program"), is a State program that allows certain taxpayers to defer the payment of property taxes on their homestead. While participating in the Deferral Program, the State will pay the property taxes, including up to two years of delinquent taxes, on the homestead of participating taxpayers each year until the taxpayer withdraws or is disqualified from the Deferral Program. Following withdrawal or disqualification, the taxpayer, or their estate or heirs, must repay the total deferred taxes plus interest and costs.

This bulletin only covers the State Property Tax Deferral Program. This bulletin does not cover either of the two optional municipal programs: the Municipal Property Tax Deferral for Senior Citizens Program under 36 M.R.S. § 6271 or the Municipal Partial Deferral of Property Taxes for Senior Program under 36 M.R.S. § 6235. For more information regarding either of these optional municipal programs, contact your municipality.

This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed, contact the Property Tax Division of Maine Revenue Services ("MRS").

2. Definitions

A. Delinquent taxes. "Delinquent taxes" or "delinquent property taxes" means any ad valorem taxes, assessments, fees and charges entered on the assessment and tax roll that have not been paid in full by the date those taxes, assessments, fees and charges have become due.

B. Disability. "Disability," as defined in 36 M.R.S. § 6250(2-A), means a permanent and total impairment or condition that prevents an individual from being employed as determined by an agency of this State or of the Federal Government or pursuant to routine technical rules adopted by the State Tax Assessor.

C. Fee simple. "Fee simple" means a status of property ownership where a person or persons possess all the rights to a property without limitation.

D. Homestead. "Homestead," as defined in 36 M.R.S. § 6250(3), means the owner-occupied principal dwelling owned by the taxpayer and up to 10 contiguous acres upon which it is located. If the homestead is located in a multi-unit building, the homestead is the portion of the building actually used as the principal dwelling and its percentage of the value of the common elements and of the value of the tax lot upon which it is built. The percentage is the value of the unit consisting of the homestead compared to the total value of the building exclusive of the common elements, if any. "Homestead" includes the taxpayer-occupied principal dwelling and up to 10 contiguous acres upon which it is located that is held in a revocable living trust for the benefit of the taxpayer.

E. Income. The taxpayer's "income" for purposes of the Deferral Program is determined under 36 M.R.S. § 5219-KK(1)(D), which provides how to calculate income for the Property Tax Fairness Credit. For additional information on what constitutes income, see MRS guidance on the Property Tax Fairness Credit, available at *www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/property-tax-fairness-credit*. Note that the Deferral Program application also lists the types of items that are considered income under the Deferral Program.

F. Liquid asset. "Liquid asset," as defined in 36 M.R.S. § 6250(3-A), means something of value available to a taxpayer that can be converted to cash in 3 months or less and includes: bank accounts, certificates of deposit, money market and mutual funds, life insurance policies, stocks and bonds, and lump-sum payments and inheritances.

For purposes of the Deferral Program, liquid assets do not include real estate, vehicles, or the assets underlying qualified retirement accounts.

G. Municipality. "Municipality," as defined in 36 M.R.S. § 6250(3-B), means a city, town, plantation, or the unorganized territory.

H. Tax-deferred property. "Tax-deferred property," as defined in 36 M.R.S. § 6250(4), means the property upon which taxes are deferred through the Deferral Program.

I. Taxes. "Taxes" or "property taxes," as defined in 36 M.R.S. § 6250(5), mean ad valorem taxes, assessments, fees and charges entered on the assessment and tax roll.

J. Taxpayer. "Taxpayer," as defined in 36 M.R.S. § 6250(6), means an individual who has filed a claim for deferral under the Deferral Program; or individuals who have jointly filed a claim for deferral under the Deferral Program.

For purposes of the Deferral Program, the following persons may act on behalf of an otherwise qualified taxpayer: a guardian, conservator, agent under a power of attorney or pursuant to a protective arrangement or any other lawful order who has been appointed for a taxpayer, or the trustee of a revocable inter vivos trust if that trust was created by a taxpayer who is both the trustor and a beneficiary of the inter vivos trust.

K. Tax year. "Tax year" means the period from April 1 to March 31 on which property taxes are based.

3. Program Eligibility

To be approved to participate in the Deferral Program, a taxpayer must, by April 1, be an eligible individual and must own eligible property.

A. Individual eligibility.

(1) A taxpayer must be either 65 or older, or unable to work due to a disability. For applications that include multiple owners, only one owner must be 65 or older, or unable to work due to a disability.

(2) A taxpayer's income during the previous calendar year must be less than $80,000. For applications that include multiple owners, the combined income of all owners during the previous calendar year must be less than $80,000.

(3) A taxpayer's liquid assets must be less than $100,000. For applications that include multiple owners, the combined liquid assets of all owners must be less than $150,000.

(4) A taxpayer must own their homestead in fee simple. In other words, there must be no restrictions on their ability to sell or dispose of the property. A taxpayer purchasing the fee simple estate of the homestead under a recorded instrument of sale with their spouse meets the requirement of fee simple ownership. In addition, two or more individuals, even if not related, who own or are purchasing the fee simple estate of the homestead under a recorded instrument of sale may also meet the requirement of fee simple ownership as long as the property is owned with rights of survivorship and all the owners live in the homestead.

Taxpayers who have placed their homestead in a revocable living trust with themselves as the beneficiary also meet the fee simple requirement.

Taxpayers who have deeded their homestead to an irrevocable trust or who own a life estate in the homestead do *no*t meet the fee simple ownership requirement and are not eligible for the Deferral Program.

B. Property eligibility.

(1) The taxpayer's homestead must be receiving a Homestead Property Tax Exemption under 36 M.R.S. §§ 681 - 689.

(2) The taxpayer's homestead must not be participating in a municipal property deferral program. This includes the Municipal Property Tax Deferral for Senior Citizens program under 36 M.R.S. § 6271 and the Partial Deferral of Property Taxes for Seniors program under 36 M.R.S. § 6235.

(3) There must be no prohibition to the deferral of taxes in federal law, rules, or regulations. Federal rules, for example, prevent properties that are subject to a home equity conversion mortgage, i.e., a reverse mortgage, that is insured by the Department of Housing and Urban Development from participating in the Deferral Program.

(4) The taxpayer owes no more than two years of delinquent property taxes on the homestead, even if there is a lien on the property for those taxes. The taxpayer's homestead must not be encumbered by any municipal liens that are not based on delinquent property taxes, such as a municipal utility lien.

a. The property is not ineligible for the Deferral Program if there are less than two years of delinquent property taxes owed on the homestead, regardless of whether the property is encumbered by municipal tax liens based on those delinquent taxes.

4. Application Process

To apply for the Deferral Program, taxpayers must file a completed application between January 1 and April 1 with the assessor of the municipality where their homestead is located. Taxpayers whose homesteads are in the unorganized territory must file their applications with the MRS Property Tax Division during the same period. Applications must include information on the homestead, the owners, and certain other information as required to determine eligibility for the Deferral Program. The Deferral Program application form is available on the MRS website at *www.maine.gov/revenue/tax-return-forms/property-tax*, and should also be available through a taxpayer's municipality.

Once an assessor receives an application from a taxpayer, the assessor must verify certain information on the application and submit it to MRS within 30 days. MRS may request additional information from a taxpayer or a taxpayer's municipality to confirm eligibility for the Deferral Program. Pursuant to 36 M.R.S. § 191, an application and the information contained within an application are confidential and not public records as defined in 1 M.R.S. § 402(3). Municipal assessors may not retain copies of a taxpayer's application once it has been forwarded to MRS.

A. Approval and denial. Once a municipal assessor forwards an application to MRS, MRS will review and approve or deny a taxpayer's application. If MRS determines that a taxpayer is not eligible to participate in the Deferral Program, MRS will send the taxpayer a notice of the denial via mail. If MRS determines that a taxpayer is eligible to participate in the Deferral Program, MRS will notify the taxpayer that they have been approved via mail. Once approved, taxpayers do not need to reapply for the following year(s) unless they have withdrawn or are disqualified.

B. Appeals. Taxpayers may appeal MRS's denial of an application to the State Board of Property Tax Review within 60 days of receipt of the denial notice. More information regarding appeals can be found at *www.maine.gov/dafs/boardproptax/appeals*.

Each year, MRS will notify the assessor in the taxpayer's municipality if the taxpayer and the taxpayer's homestead have been approved to participate in the Deferral Program. Assessors must note in the commitment book which accounts are enrolled in the Deferral Program based on the information provided by MRS each year.

5. Deferral

If a taxpayer is approved to participate in the Deferral Program, MRS will pay to the municipality any delinquent property taxes of up to two tax years owed by the participating taxpayer, and satisfy the property taxes due on a participating taxpayer's homestead for the tax year beginning April 1 following the application. The participating taxpayer's municipality must discharge any municipal property tax liens on the taxpayer's homestead once MRS has paid the municipality for any taxes the liens were based on.

MRS will place a lien on the taxpayer's homestead. Each year the taxpayer participates in the Deferral Program, MRS will pay to the municipality the taxpayer's municipal property taxes. Those taxes, plus interest and costs will accrue as a balance with the State, secured by the State lien on the homestead.

The State lien will remain encumbered against the homestead until the total balance due to the State is paid, regardless of sale or transfer of ownership. However, the State lien will not mature until after a taxpayer has withdrawn or is fully disqualified from the Deferral Program.

**NOTE:** The State will only satisfy the property taxes due on a participating taxpayer's homestead, which includes the taxpayer's principal dwelling and up to ten contiguous acres upon which the principal dwelling is located. Participating taxpayers remain responsible for paying property taxes on any portion of the property beyond ten contiguous acres, and on that portion of the taxpayer's property that is not used as the taxpayer's principal dwelling, such as commercial properties or other dwellings on the property.

A. Interest and costs. The outstanding balance owed to the State accrues interest each year. This interest must be paid to the State when the participating taxpayer withdraws or is disqualified from the Deferral Program. Interest accrues at the general rate set by statute for delinquent taxes, minus one percentage point. Maine's general rate can be accessed at *www.maine.gov/revenue/tax-return-forms/interest-rates*.

   Certain costs associated with participating in the Deferral Program also accrue and are added to the taxpayer's outstanding balance. These may include, but are not limited to, lien filing fees. As with the tax and interest, costs must be paid to the State when a participating taxpayer withdraws or is disqualified from the Deferral Program.

B. Voluntary payments. Taxpayers may make a payment towards their balance without affecting their eligibility for the Deferral Program. Voluntary payments are applied first against accrued interest. Any payment in excess of accrued interest is applied against the deferred taxes.

   A taxpayer's spouse, children, next of kin, heirs, a person with legal claim to the homestead, or a person making a gift to the participating taxpayer may also make a payment towards the outstanding balance on a taxpayer's behalf. However, the taxpayer may object to any payment made by another person within 30 days of being notified that the payment was made. Payment towards the balance by a person other than the participating taxpayer does not give the payor any interest in the property or any claim against the estate unless the participating taxpayer has agreed to such an arrangement.

C. Notices. On or before December 15 each year, MRS will send participating taxpayers a notice that explains the amount of property taxes that were deferred during the current assessment year; the total amount of deferred taxes, interest, and costs that remain unpaid; and any other information that MRS may deem important, including the taxpayer's right to make a payment towards the balance of the State lien or withdraw from the Deferral Program at any time.

Participating taxpayers may also receive other notices from MRS, such as notice that the taxpayer or another person has made a payment towards the balance of the State lien, notice that the participating taxpayer has been disqualified from the Deferral Program, or a notice providing the participating taxpayer with other important information.

## 6. Withdrawal, Disqualification, and Repayment

If a taxpayer no longer wishes to participate in the Deferral Program, the taxpayer may withdraw from the Deferral Program at any time. When the taxpayer withdraws from the Deferral Program, the outstanding balance, which includes the unpaid tax plus interest and costs, must be repaid within a specified timeframe (see Section 5(D) and (E) below).

Taxpayers can also be partially or totally disqualified from the Deferral Program if certain events take place.

A. Partial disqualification events. A partial disqualification event precludes a participating taxpayer from deferring taxes for assessment years following the partial disqualification event, but allows them to continue deferring taxes for past assessment years. Partial disqualification events include:

(1) if a participating taxpayer retains ownership of the homestead but no longer owns it in fee simple, such as if the taxpayer's homestead is foreclosed by a bank;

(2) if there is a federal prohibition placed on a participating taxpayer's homestead that prevents them from deferring property taxes;

(3) if a participating taxpayer is accepted into a municipal property tax deferral program; and

(4) if a participating taxpayer's homestead is encumbered by a municipal lien.

If a partial disqualification event occurs, MRS will notify the participating taxpayer by certified mail. After a partial disqualification event, a taxpayer must pay the property taxes due on their homestead for current and future assessment years. However, the taxpayer may continue to defer past taxes until they withdraw from the Deferral Program, or a total disqualification event occurs.

B. Total disqualification events. A total disqualification event precludes a participating taxpayer from continuing to defer taxes from previous and current assessment years, and precludes the participating taxpayer from deferring property taxes for future assessment years. When a total disqualification event occurs, the taxpayer, or their estate or heirs, must pay to the State the unpaid balance of the State lien, equal to the unpaid taxes plus interest and costs, within a specified timeframe (see Section 5(D) and (E) below). Total disqualification events include:

(1) if a participating taxpayer dies;

(2) if a participating taxpayer sells or transfers ownership of their homestead;

(3) if the homestead is no longer a participating taxpayer's primary residence, unless they are away for health reasons; and

(4) if a taxpayer physically moves their homestead out of the State, such as for a mobile or floating home.

If a total disqualification event occurs, MRS will satisfy a participating taxpayer's property taxes for the assessment year in which the total disqualification event occurred. The amount paid, plus interest and costs, will be added to the balance owed to the State. MRS will then notify the participating taxpayer, or their estate or heirs, of the total disqualification by certified mail. The notice will list the outstanding balance owed to the State and specify the timeframe when it must be paid.

C. Spouse of totally disqualified taxpayer. The spouse of a taxpayer who has been totally disqualified may continue to defer past, current, and future taxes if:

(1) the spouse is or will be 65 years or older within six months of the total disqualification event;

(2) the spouse meets all other individual eligibility requirements; and

(3) the spouse's homestead meets all property eligibility requirements.

The spouse of the disqualified taxpayer must file an application for the Deferral Program between January 1 and April 1 of the year following the year in which the total disqualification event occurred with the assessor of the municipality where the spouse's homestead is located. For taxpayers in the unorganized territory, the spouse must file their application with MRS Property Tax Division during the same period.

If the spouse does not meet the age or disability requirements, but the spouse's homestead remains otherwise eligible to participate in the Deferral Program (see Section 3(B) above), the spouse may elect to continue deferring property taxes from past assessment years as if they were partially disqualified by filing an application with the municipal assessor, or the State Tax Assessor if in the unorganized territory. If a spouse fails to file an application before April 1, the spouse may file the application within 90 days after having been mailed notice of their property tax bill, subject to MRS approval.

If the spouse meets the age or disability requirements at a later date, the spouse may elect to defer property taxes from the current and future assessment years by filing another application as described above.

D. Repayment. Except as described in Section 5(E) below, the outstanding balance owed to the State, including the unpaid deferred taxes plus interest and costs, must be paid within 12 months of a total disqualification event or withdrawal by the taxpayer. Payments must be made to MRS. When the outstanding balance is paid in full and the homestead is no longer participating in the

Deferral Program, MRS will discharge the State lien.

E. Exceptions to 12-month repayment. If a mobile or floating home enrolled in the Deferral Program is removed from the state, the outstanding balance owed to the State, including the unpaid deferred taxes plus interest and costs, must be paid no later than five days before the homestead is removed.

If a participating taxpayer is totally disqualified from the Deferral Program because they died, the heirs or devisees of the homestead may request from MRS an extension for repayment of the balance owed the State. MRS may grant the extension if:

(1) the homestead transfers in ownership to the heirs or devisees by means of inheritance or settlement of the estate;

(2) the heirs or devisees occupy the property as a principal residence within 12 months of the death; and

(3) the heirs or devisees apply for an extension within 12 months of the death.

Interest continues to accrue on the deferred taxes during any approved extension. Extensions may not exceed six years in total length. The extension period terminates and the outstanding balance becomes due if the homestead is sold or ownership is transferred, the heirs or devisees no longer occupy the homestead, or the homestead is removed from the state, such as for a mobile or floating home.

F. Failure to repay. If the taxpayer, or their estate or heirs, does not fully repay the outstanding balance owed to the State, which includes the unpaid deferred taxes plus interest and costs, within 30 days of the specified repayment date, and the taxpayer has not been granted an extension; MRS will file a tax lien certificate in the county where the homestead is located. If the taxpayer or their estate or heirs has not paid the outstanding balance within 12 months of the filing of the tax lien certificate, the tax lien automatically forecloses, and the State takes title to the homestead. Once the State takes title to the homestead, the homestead may be sold to recover the unpaid balance owed the State and any costs associated with the sale.

## 7. Responsibilities of Municipal Officials

A. Municipal tax assessor. Assessors are responsible for accepting applications from taxpayers between January 1 and April 1 each year. Within 30 days of receiving an application, the assessor must verify certain information on the taxpayer's application. This process may include, for example: requesting identification to ensure a taxpayer's date of birth; reviewing a taxpayer's property record card to confirm the property's eligibility; reviewing information in the Commitment Book to verify whether a property receives the Homestead Property Tax Exemption; reviewing municipal records to determine whether a taxpayer's property has any existing municipal liens against it; inspecting the deed of a taxpayer's property; or examining other documents. Once information on the application is verified, the assessor must forward it to MRS with any affiliated documents, such as the taxpayer's property record card or copies of any municipal tax liens. Municipal assessors may not retain copies of taxpayers' applications once they have been forwarded to MRS.

MRS will notify assessors which taxpayers and corresponding homesteads have been approved to participate in the Deferral Program within 30 days of having received an application. Assessors must label the accounts of taxpayers approved to participate in the commitment book each year using the information provided by MRS.

While a taxpayer is participating in the Deferral Program, the assessor must immediately notify MRS if they become aware of a change in the taxpayer's status that may affect their ongoing eligibility for the Deferral Program. This may include but is not limited to the listing, sale, or transfer of a homestead; the death of a participating taxpayer; the removal of a Property Tax Homestead Exemption from a homestead; or enrollment of a homestead in a municipal property tax deferral program.

B. Municipal tax collector. Tax collectors will be informed which accounts are participating in the Deferral Program through the commitment book. Tax collectors must cease collecting taxes from the accounts of a participating taxpayer when MRS pays the total property taxes owed by the taxpayer. Tax collectors should continue to collect property taxes for any portion of a participating taxpayer's property that is not enrolled in the Deferral Program. This may include, for instance, any portion of the taxpayer's property that exceeds ten acres.

If MRS has paid the delinquent property taxes of a participating taxpayer, the tax collector must release the taxpayer from any liens based on those delinquent taxes. Tax collectors must send copies of the lien release notices and related documents to MRS.

Tax collectors are responsible for submitting the Municipal Property Tax Report ("Municipal Report") to MRS within 30 days of commitment. Tax collectors can submit the Municipal Report to MRS via mail. The Municipal Report is available at *www.maine.gov/revenue/tax-return-forms/property-tax*. Tax collectors may also file the Municipal Report through the Maine Tax Portal, at *www.revenue.maine.gov*. The completed Municipal Report must include the name and tax account information of participating taxpayers; documentation relating to any participating taxpayers' delinquent taxes or liens based those taxes; and copies of each participating taxpayer's annual tax bill subject to reimbursement. MRS will pay to municipalities the sum of all participating taxpayers' delinquent and deferred taxes within 60 days of having received the completed Municipal Report.

While a taxpayer is participating in the Deferral Program, tax collectors must immediately notify MRS if the tax collector becomes aware of a change in the participating taxpayer's status that may affect their ongoing eligibility for the Deferral Program. This may include but is not limited to the homestead being encumbered by a municipal lien, such as a municipal utility lien or municipal tax lien; or the homestead being enrolled in a municipal property tax deferral program.

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# Statewide Property Tax Deferral Programs

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
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| Arizona | Senior Citizen Property Tax Deferral | An individual may defer property taxes on their residence for a taxable year.<br><br>The county treasurer must issue a certificate of deferral for each resident enrolled in the program. The certificate states the amount deferred and the rate that interest accrues.<br><br>The deferred taxes and interest are due when the property is no longer eligible or the applicant dies without a surviving spouse to continue the deferral.<br><br>If the property is no longer eligible, the repayment is due within 120 days. If the claimant dies, the repayment is due within one year. | Eligibility is limited to the owner-occupied primary place of residence and cannot be income-producing.<br><br>The property cannot have a full cash value of more than $150,000.<br><br>The property may not be subject to a lien of any mortgage, reverse mortgage, deed of trust, or other real property security interest that has been on record for less than 5 years before the date the deferral claim form is filed.<br><br>All property taxes must be paid prior to the year for which the initial election is made. | Age, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Other Criteria | Applicants must be at least 70 years of age and their total taxable income cannot exceed $10,000. The property cannot have a full cash value of more than $150,000.<br><br>The individual must either: (a) have lived in the current residence for at least 6 years immediately preceding the date the deferral claim form is filed or (b) have lived in the state for at least 10 years immediately preceding the date the deferral claim form is filed.<br><br>In the case of married couples, both spouses must meet these requirements and consent to the deferral, regardless of whether both spouses have ownership of the property.<br><br>The cumulative amount of deferred taxes, interest, and any amount secured by mortgages, reverse mortgages, deeds of trust, or other real property security interest may not exceed 90% of the full cash value of the residence. | The individual may not own or have any legal, equitable, beneficial, or security interest in any other residence or other real property except indirectly through an investment security, such as a mutual fund, that includes real property assets.<br><br>Applicants must reapply each year. A claim for deferral may be filed with the Assessor's office after 1 January but before 1 April of the tax year for which the deferral is claimed. Failure to apply means the homeowner will not be eligible for tax deferral for that year. Failure to apply does not mean that taxes deferred in previous years must be paid.<br><br>Deferred taxes and accrued interest are a lien against the property. The lien attaches on the date the certificate of deferral is recorded and has priority over any mortgage, reverse mortgage, deed of trust, or other real property security interest. | Because of its numerous requirements and limitations, and its one-year maximum applicability, this program is rarely utilized by taxpayers. (2023, AZDOF Property Tax Exemptions Report) |
| California | Property Tax Postponement (Deferral) Program for Senior, Blind, and Disabled Citizens with Local Option | The program provides for a deferral of current-year taxes and cannot be used to pay delinquent or defaulted taxes.<br><br>Counties may elect to have their own postponement program. The state controller does not know if any counties have created programs. | To be eligible, the property must be the applicant's principal residence, including mobile, manufactured, or modular homes, whether affixed or unaffixed. Floating homes and houseboats are not eligible. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Other Criteria | For the state program, applicants must be at least 62, blind, or disabled. The owner must have occupied the property as a principal residence since 31 December of the prior year on a continuous basis. The total household income for the prior year (2022 for 2023 application) is $51,762.<br>The homeowner must have at least 40% equity in the property, based on full market value, and no reverse mortgages. | Eligible income was increased to $51,762 and interest rates remain at 5%.<br><br>Annual application must be submitted after 1 October for the current tax year. Limited funds are available and approval is on a first-come, first-served basis.<br>For 2024, applications can be filed between 1 October 2023 and 12 February 2024.<br><br>Generally, the forms become available in September of each year and the applications may be submitted between 1 October of that year and 10 February in the subsequent year. The interest rate on the postponed taxes is 5% per year and the postponed taxes create a lien on the property.<br><br>Payment for postponed taxes may be made at any time for either a portion or the full amount deferred. However, they must be repaid when the owner moves or sells the property. In addition, the taxes are due if future taxes become delinquent or the owner refinances or obtains a reverse mortgage.<br><br>Household income is the total income received by all persons (except minors, full-time students, and renters) who resided in the home during the year for which deferral is requested. Income is the Adjusted Gross Income on the applicant's federal tax form.<br><br>Income also includes: California State Lottery winnings in excess of $600; 100% of lottery winnings | Studies in the mid 2010s suggest fewer than 1,000 participants out of a million or more potentially eligible individuals. |

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
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| | | | | | | from other states; Veterans Administration benefits; Military compensation; Life insurance proceeds to the extent that they exceed the expenses incurred for the last illness and funeral of the deceased spouse or registered domestic partner of the claimant; Gifts and inheritances above $300, except between members of the household; Alimony received; Amounts received from an estate or a trust; Unemployment insurance benefits; Workers' compensation payments for temporary disability; Amounts contributed by or on behalf of the claimant to a tax-sheltered retirement or deferred compensation plan; Amounts received from an employer or any government body for loss of wages due to sickness or accident (sick leave payments); Nontaxable gain from the sale of a residence; Scholarship and fellowship grants; The amount of the alternative minimum taxable income above regular taxable income if were required to pay the alternative maximum tax on the 2016 California income tax return.<br><br>Items not deductible from income: Mortgage payments; Interest paid on loans; Utilities; Medical bills; Health premiums; Itemized deductions on Form 1040 | |
| Colorado<br><br>Program amended in 2025 - eligibility only for seniors and active military service | Property Tax Deferral for Seniors, Active Military Personnel, and Tax Growth Cap | Qualified applicants may elect to defer their property taxes annually. Deferrals constitute a lien with interest accruing at the yearly rate of the most recently issued 10-year treasury note.<br><br>Any person, other than senior citizens or active military whose property tax liability grows by more than 4% from the average liability of the 2 prior years' liability.<br><br>Once taxes are deferred, an application must be submitted annually to continue the deferral; failure to do so will result in the required repayment of the deferral amount by 30 June of the year a renewed application is not received.<br><br>The maximum amount of taxes that can be deferred is $10,000. | Only residential property is eligible for this program, including units in a condominium, townhouse, or mobile home. Income-producing property is not eligible for the deferral. | Active Military, Age, Homeowner, Other Criteria | The applicant must own and occupy the property. Those eligible may be 65 years of age or older or military personnel on active service on 1 January of the year in which an application is submitted. For military personnel, only those taxes due during active service can be deferred.<br><br>In addition, eligible homeowners whose real property taxes for their homestead has increased by the "tax-growth cap" of 4% in the two prior tax years. They may defer the payment of the portion of the taxes that exceeds the average property taxes paid for the prior 2 years.<br><br>For seniors, the total value of all liens, mortgages, and deeds cannot exceed 75% of the property's total value. For active duty military, this is increased to 90% of total value. Total liens, including the deferrals cannot exceed 100% of actual value.<br><br>Applicants who are 18 years old or older must be lawfully present in the United States. | The deferral program was expanded to allow anyone to defer the amount the current taxes exceeded the taxes on the homestead for the prior two years by 4%. The minimum amount that can be deferred in one year is $100 while the maximum amount that can be deferred through this program is $10,000.<br><br>The deferral must be paid back in the following situations: 1) the claimant dies, unless the surviving spouse elects to continue the deferral; 2) the property is sold or the title is transferred; 3) the taxpayer moves for reasons other than ill health; 4) the taxpayer begins to rent the property or otherwise receives income from it; 5) the location of a tax-deferred mobile home has moved either within the county or to another county; or 6) the mortgage, deferred taxes, and accrued interest exceed the market value of the real property.<br><br>The actual value of the property is the most recent appraisal by the county assessor at the time the deferral claim is submitted to the county treasurer.<br><br>The claim must be submitted between 1 January and 1 April of the year in which the taxpayer claims the deferral. | For the 2023 property tax year, there were 1,042 deferrals awarded in 30 counties, up 14.5 percent from 910 awards and 20 counties in 2022.<br>In 2023, about 82 percent of participants were seniors, and nearly 18 percent were among the general public. In 2023, only 5 participants were deferrals for active military service members.<br><br>https://leg.colorado.gov/sites/default/files/images/final_tax_property_commission_presentation.pdf |
| District of Columbia | Property Tax Deferral | The benefit is a deferral of property taxes; the deferral accrues interest at a rate of 0.5% | Only Class 1 residential property is eligible. This | Age, Homeowner, Income Ceiling, | The aggregate property taxes deferred may not exceed 25% of the assessed value of the property. | Application is required between 1 October and 31 March. Outside of this period, the benefit is reduced. | |

## Statewide Property Tax Deferral Programs

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
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| | | monthly (about 6% annually). The deferred taxes and interest constitute a lien on the property. The benefit is distributed in two installments. If an application is submitted between 1 April to 30 September, the applicant only receives half of the benefit.<br><br>There are three programs the applicant may qualify and apply for:<br><br>The all homeowner tax deferral allows for a deferral of real property tax owed in excess of 110% of the real property tax liability for the prior year.<br><br>The low-income homeowner tax deferral allows for a deferral of any property tax in excess of the property tax for the prior year.<br><br>The low-income senior tax deferral allows for a deferral of all property taxes due for the prior year.<br><br>Qualified applicants for the low-income senior tax deferral over 75 who have owned and occupied a home in D.C. for the last 25 years and have less than $12,500 in household interest and dividend income are subject to a 0% interest rate on deferred property taxes. | includes both homes and condominiums. | Principal Residence, Other Criteria | For the all homeowner tax deferral, the claimant must have owned the property for at least 1 year and occupied the home for the 12-month period immediately prior to application.<br><br>For the low-income homeowner tax deferral, the claimant must be a District resident living in an owner-occupied house or condominium. The claimant must also have a household Adjusted Gross Income (AGI) of less than $50,000. If they are at least 65 years old, they must have taken home equity conversion mortgage counseling.<br><br>For the low-income senior tax deferral, the claimant must be a District resident living in an owner-occupied house or condominium. The claimant must also have a household Adjusted Gross Income (AGI) of less than $50,000 and be at least 65 years old. They must own at least 50% of their house or condominium and have taken home equity conversion mortgage counseling. For 0% interest, the claimant must meet the criteria for the low-income senior program and be 75 or older, owned their residence for at least 25 years, and have less than $12,500 of household interest and dividend income. | If a taxpayer enters the program but at a future date and is no longer are eligible, the taxpayer must notify the District within 30 days. Failure to do so results in a penalty of 10% of delinquent taxes and 1.5% interest for each month. | |
| Florida | Homestead Tax Deferral | Homeowners eligible for the homestead exemption may defer a portion or all property taxes, depending on age and adjusted gross income. For homeowners under the age of 65, property taxes in excess of 5% of household-adjusted income may be deferred. For homeowners 65 or older, property taxes in excess of 3% of income may be deferred.<br><br>Deferred taxes, assessments, and interest may be paid at any time. The total amount must be paid when there is a change in the use or ownership of the property.<br>Upon loss of eligibility, all taxes become due unless there is an eligible surviving spouse to whom deferred taxes may be transferred. | Only residential property that is considered a homestead is eligible for this program. Such property includes mobile homes or apartments occupied by a tenant-stockholder or cooperative corporation. | Age, Homeowner, Income Ceiling, Principal Residence, Other Criteria | Applicants must be eligible for the Homestead Exemption and the property must be used as the primary residence. Applicants under the age of 65 with a household income of less than $10,000 and homeowners 65 years or older with a household income of less than the qualifying income level for the additional Homestead Exemption may defer all property taxes. For homeowners aged 65 or older, the income level for the Additional Exemption in 2024 is $36,614.<br><br>A deferral is not available if the total amount of deferred taxes, non-ad valorem assessments, interest and unsatisfied liens are more than 85 percent of the just (market) value or the primary mortgage financing is more than 70 percent of the just (market) value.<br><br>In addition, each applicant must furnish proof of fire and extended coverage insurance at least equal to the total of all outstanding liens (including a lien for deferred taxes, non-ad valorem assessments, and interest) with a loss payable clause to the tax collectors. | Deferred taxes are subject to an interest rate equal to the semiannually compounded rate of 0.5% plus the average yield to maturity of the long-term fixed-income portion of the Florida Retirement System investments as of the end of the quarter preceding the date of the sale of the deferred payment tax certificates, which may not exceed 7%. | |

## Statewide Property Tax Deferral Programs

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| Georgia | Property Tax Deferral for the Elderly | The applicant may defer all or a portion of the property taxes levied on the first $50,000 of assessed value on their primary residence.<br><br>For counties with a population of 550,000 or more according to the US Census, applicants may defer payment on all or a portion of the property taxes levied on their primary residence that exceed 4% of their gross household income for the immediately preceding calendar year, regardless of income or assessed value.<br><br>The total amount of deferred taxes, interest, and all other unsatisfied liens on the homestead cannot exceed 85% of its fair market value.<br><br>An interest rate equal to 3/4 of the rate for past due taxes accrues monthly on all deferred property taxes. The rate for past due taxes is the bank prime loan rate posted by the Board of Governors of the Federal Reserve System, plus 3%.<br><br>Claiming a tax deferral will result in a lien being placed on the property. | Only residential property is eligible for this program. | Age, Homeowner, Income Ceiling, Principal Residence, Property Value Limit | Applicants must be 62 years old or older, occupy the property as a primary residence, be entitled to claim a homestead exemption, and have an annual gross household income of $15,000 or less. | The applicant must maintain insurance on the homestead property to cover potential loss due to fire or other hazard.<br><br>Taxes and accrued interest will become due if: (1) the applicant dies (unless the surviving spouse of the original applicant qualifies for and enters into a tax deferral agreement), (2) the property is sold or, (3) the use of the property changes so as to make it ineligible for a homestead exemption.<br><br>If the amount of taxes deferred plus any other liens on the property exceeds 85% of the fair market value, the applicant will be required to pay the portion in excess of 85%. If the applicant fails to pay this amount, the entire balance of deferred taxes and interest becomes due within 30 days.<br><br>Applicants must file an application each year by 1 April of the year for which the deferral is sought. Applications should be filed with the local tax official. | |
| Idaho | Property Tax Deferral Program | The benefit provides a deferral of property tax plus interest, which constitutes a lien on the property. | Only residential property and up to one acre of land as is necessary for the use of the dwelling as a home are eligible.<br><br>The property may consist of a part of a multi-dwelling or multi-purpose building.<br><br>Homestead property does not include personal property such as furniture, furnishings, or appliances, but a manufactured home may be a homestead.<br><br>The property must not be security for a reverse mortgage, home equity loan, line of credit, or any similar loan. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Veteran, Surviving Spouse, Other Criteria | The claimant must meet all of the eligibility requirements for the circuit breaker tax reduction, except for income limitations.<br>To apply for the 2024 deferral, 2023 income must be less than $58,304. The Secretary of Health and Human Services adjusts the income limit annually for changes in the cost of living.<br>The homeowner must have sufficient equity. The property cannot be used as security for a reverse mortgage and the total encumbrances on the property may not exceed 80% of the current market value.<br><br>The claimant must own and occupy the residence as their primary residence.<br><br>The applicant must be at least one of the following:<br>65 or older;<br>a child under 18 with no parent or guardian;<br>a widow or widower;<br>a disabled person recognized by the Social Security Administration, railroad retirement board, or Office of Management and Budget;<br>a disabled veteran;<br>a person who was taken by a hostile force; or<br>an applicant who is blind.<br><br>The homeowner must have proof of fire and casualty insurance to receive the benefit. | Deferred taxes accrue interest annually at a rate of 2% plus the midterm federal rate as it applies on 15 September of the immediately preceding calendar year rounded to the nearest whole number.<br><br>A deferral of property tax payments terminates on the earlier of:<br>(a) voluntary payment of the full amount of deferred tax and interest to the state tax commission;<br>(b) the death of the qualified claimant (in the case of more than one qualified claimant, the death of the last surviving qualified claimant);<br>(c) a sale or other transfer of title to the property or any part of the property except a transfer of title to a surviving spouse of a deceased qualified claimant;<br>(d) the property no longer qualifies for the Homeowner's Exemption; or<br>(e) a determination by the state tax commission that the deferral of property tax payments was erroneously granted to a person who is not a qualified claimant or regarding property that is not qualified.<br><br>The Secretary of Health and Human Services adjusts the income limit annually for changes in the cost of living.<br><br>"Income" is defined as federal adjusted gross income, less deductions for certain medical and funeral expenses, business losses, early withdrawal penalties, and alimony. Income also includes social security and | A fiscal note for a bill during the 2026 Legislative session indicates a "low number of users". |

# Statewide Property Tax Deferral Programs

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| | | | | | | similar benefits and most non-taxable income.<br><br>Applications are due annually on the first Monday in September. | |
| Illinois | Senior Citizen Real Estate Tax Deferral | The benefit permits eligible persons to defer the payment of all or part of their property taxes or special assessment up to 80% of the property's equity. The total taxes deferred per taxpayer per year may not exceed $7,500.<br>The state pays the taxes and files a lien on the property to ensure repayment.<br>The deferral must be repaid, plus 3% annual interest, within one year of the property owner's death or 90 days after the property no longer qualifies. | Only residential property is eligible for this program. | Age, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse, Other Criteria | Applicants must be at least 65 years old by 1 June of the year for which deferral is claimed, have a household income of no more than $65,000, own and occupy the property as their principal residence for the prior 3 years (excluding periods in a nursing or sheltered care home), and maintain homeowners insurance against fire and casualty.<br><br>The property must not be income-producing, under a lien for unpaid real property taxes, or held in trust when filing for the first time (unless the property is under a land trust with the taxpayer as the sole beneficiary). The deferral is extended to an applicant's surviving spouse if they are or will be at least 55 years old within 6 months of the date of their partner's death. | Applications are administered by local county collectors who determine the eligibility of applicants. Applications must be filed by March 1 of each year; extensions are not provided. | |
| Maine | Homestead Property Tax Deferral for Seniors and Persons with Disabilities | The program defers all property taxes including ad valorem taxes, assessments, fees and charges entered on the assessment and tax roll. The deferral results in a lien being placed on the property for the amount of taxes deferred plus interest. | The property must be residential property not greater than 10 contiguous acres. Mobile and floating homes may qualify for the program. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Wealth Limit, Surviving Spouse | The taxpayer must be 65 years old or older, own the fee simple estate or be purchasing the fee simple estate under a recorded instrument of sale, have a total household income below $80,000 annually, and occupy the property as their principle residence. Single taxpayers must have liquid assets not exceeding $100,000 in value and taxpayers filing jointly must have liquid assets not exceeding $150,000 in value.<br><br>In order to qualify for the homestead exemption, the taxpayer must be a permanent resident of the state and owned a homestead in the state for the preceding 12 months.<br>If the taxpayer loses eligibility due to death, sale of property, or moving, the taxpayer's spouse may continue the deferral of prior years' taxes. If the spouse independently qualifies for the program, they may continue to defer current taxes for as long as they qualify for the deferral.<br><br>The taxpayer must not have a municipal lien or a municipal deferral on the property and must receive a homestead exemption for the property, however, delinquent property taxes may be added to the deferral amount as long as the taxpayer owes no more than 2 years of delinquent property taxes at the time of application for deferral. No deferral may be allowed if an applicant owes delinquent property taxes on more than one residential property in the state. | Effective 01 January 2024: Income level increased to $80,000 and the liquid asset cap for individuals is increased from $50,000 to $100,000 and for joint filers is increased from $75,000 to $150,000. This change is pursuant to 2024 Me. Laws ch. 523 § A-14 ~A-15 (HP163; LD2023).<br><br>Effective for tax year 2024 and subsequently: Delinquent property taxes may be added to the deferral amount as long as the taxpayer owes no more than 2 years of delinquent property taxes at the time of application for deferral. No deferral may be allowed if an applicant owes delinquent property taxes on more than one residential property in the state. This change is pursuant to 2023SP1 Me. Laws ch. 412 § S-8 ~ § S-9 (HP163; LD258).<br><br>Taxpayers must file applications before April 1st for the first year that they wish to defer taxes.<br>Deferred taxes accrue interest at the rate equal to the prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year, rounded up to the next whole percent. For calendar year 2022, the applicable interest rate for taxes deferred under the program is 4%. The taxpayer's estate or heirs may extend the deferral in the event the claimant dies. Extensions cannot exceed 6 years, and interest will continue to accrue during the period of extension.<br><br>An application for deferral applies to the assessment year in which it was approved and indefinitely until a disqualifying event. Applicants do not need to reapply each year and they do not need to maintain eligibility for all of the eligibility requirements every year, only | |

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| | | | | | | for the year in which they apply.<br><br>All deferred taxes and interest are payable if: the claimant dies, or the property is sold, or the claimant moves, or the home is moved out of state (typically for mobile and floating homes). The amount of deferred taxes plus interest is due 12 months after a disqualifying event. In the case that the claimant loses eligibility because their house moves out of state (typically for mobile and floating homes), taxes are due 5 days before they move the house.<br><br>A liquid asset is defined as something of value available to an individual that can be converted to cash in 3 months or less and includes: bank accounts, certificates of deposit, money market and mutual funds, life insurance policies, stocks, bonds, lump-sum payments, and inheritances. | |
| Massachusetts | Property Tax Deferral for Persons Aged 65 or Older (Clause 41A) | The benefit is a deferral of annual property taxes.<br>Individual deferral and recovery agreements are established annually between the taxpayer and the local board of assessors.<br>The amount of taxes deferred shall not exceed the proportion of the total value of the property owned by the applicant.<br>The total amount of taxes due (including interest charged at 8% annually) shall not exceed 50% of the owner's share of the full and fair cash value of such property.<br>The state will place a lien on the property for the amount of the tax-deferred plus interest which must be paid in full upon the transfer or sale of the property, or the death of the owner, unless a surviving spouse enters into a similar tax deferral agreement. | Only residential property is eligible for this program. | Age, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse | This benefit is available to persons:<br>(a) aged 65 or older;<br>(b) who have lived in the state for at least 10 years and owned or occupied property for at least 5 years, or are surviving spouses that have inherited such real property and occupied it for at least 5 years; and<br>(c) have gross receipts of less than $20,000, whether filing jointly or individually (these limits may be increased by local option) | The property may not be sold or transferred unless the taxes have been paid with interest. When the property owner dies, legal heirs have first priority to said property provided that they pay in full all back taxes and interest. If the heir is a surviving spouse, the spouse may enter into a tax deferral and recovery agreement with the board of assessors. At the time of the owner's death or the sale or transfer of the property, the interest rate on the balance of taxes due increases to 16%.<br><br>Applications must be filed each fiscal year by 1 April or three months after the actual tax bills are mailed, whichever is later. | |
| Minnesota | Deferral for Senior Citizens | The benefit may defer all property tax liability in excess of 3% of the applicant's household income. The benefit only applies to liability owed against homestead property including 1 acre of land in a given tax year. The state places a lien against the property for the amount deferred plus interest at a variable rate not to exceed 5%.<br>The maximum amount of property tax that can be deferred is 75% of the assessor's estimated market value for the property minus the balance of any loans against the property at the time of application.<br>The lien is reduced by any state payments to the property owner. This includes income tax refunds, lottery winnings, or political contribution refunds. | Eligible property are homesteads, defined as the homeowner's principal residence and a maximum of 1 acre of surrounding land. Any land in excess of 1 acre is not included. | Age, Homeowner, Income Ceiling, Principal Residence, Other Criteria | In order to qualify, the applicant must meet all of the following requirements.<br>(1) The homeowner must be 65 or older and own and occupy the property as a homestead. If married, the applicant's spouse must be at least 62 years old when the first deferral is granted.<br>(2) The total household income cannot exceed $96,000 in the year prior to the year of first application to the program.<br>(3) At least one of the owners of the homestead must have owned and occupied the property for at least 5 years prior to first application.<br>(4) There must be no state or federal tax liens or judgement liens against the property.<br>(5) The total amount of debt including mortgages and liens against the property may not be more than 75% of the estimated market value of the property. Homes with reverse mortgages are not eligible. | Effective for taxes payable in 2024: The income ceiling is increased from $60,000 to $96,000. The minimum number of years that the applicant is required to have owned and occupied the property prior to application is reduced from 15 to 5. These changes are pursuant to 2023 Minn. Laws ch. 64 (HF1938).<br>Deferral applications must be submitted on or before 1 November to defer a portion of the taxes owed in the next year. The taxpayer may first apply in the year they turn 65 but will not receive a deferral until the following year. As long as the applicant remains eligible for the deferral, no subsequent annual applications are required.<br>This program is optional for qualifying seniors. If a homeowner elects to participate, a lien will be placed against the property by the state for the amount of property taxes deferred, which must be repaid to the state with interest. Deferred property taxes must be repaid when any of the following occurs: | |

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| | | | | | | (1) The property is sold or transferred<br>(2) All qualifying homeowners die<br>(3) The homeowner voluntarily removes himself/herself from the program<br>(4) The property no longer qualifies as a homestead<br>If the annual household income of the applicant exceeds $96,000 in any given year, the homeowner is obligated to inform the Department of Revenue and may not defer any property taxes that year. Failure to do this will result in the application of a penalty. | |
| Nevada | Tax Deferral for Low-Income Homeowners | The benefit is a deferral of up to 3 years of property taxes on a primary residence with deferral periods set by each county.<br>The deferral constitutes a lien on the property.<br>Interest of 6% of the total amount deferred is applied when the taxes become due or are paid. | Only single family residences are eligible for this program. | Disability, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Other Criteria | This deferral is available to households with incomes below the federal poverty level and home values not exceeding $175,000.<br>In addition, the household: (a) may not own any other property in the state exceeding $30,000; (b) must have occupied the home for at least 6 months; (c) must not be the subject of a bankruptcy proceeding; (d) must have no delinquent property taxes other than those for which the deferral is sought; and (e) must have suffered an economic hardship outside of their control (including but not limited to a disability expected to last at least 1 year). | See local county assessors office for application instructions and forms.<br>Income is defined as adjusted gross income as prescribed in the Internal Revenue Code and includes funding streams such as interest income, pensions and retirement, veterans' benefits, social security payments, and welfare payments.<br>Single family residences are defined as single dwelling units and all land appurtenant thereto; and individually owned residential units that are integral parts of large complexes and all land included in the assessed valuation of the individually owned units. | |
| North Carolina**<br><br>Circuit Breaker Tax Deferral program | Homestead Circuit Breaker Tax Deferral for Senior or Disabled Citizens | The benefit limits taxes to a percentage of income. The deferred taxes create a lien on the property.<br>For tax year 2024, applicants with income below the eligible level ($36,700) may defer taxes in excess of 4% of their income. Those with income between 100% and 150% ($55,050) of the eligible level may defer taxes in excess of 5% of their income.<br>The deferred taxes of the previous three years are due and payable if the property is no longer the permanent residence of either the owner, co-owners, or spouse. | Only residential property and up to one acre of land on which the residence is located are eligible for the relief.<br><br>Residential property can include a single-family residence, a unit in a multi-dwelling complex, or a manufactured home. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Other Criteria | Qualifying homeowners must be North Carolina residents, own and occupy the homestead as their principal residence for at least 5 consecutive years, and be at least 65 years of age or have a total and permanent disability.<br>If the property has multiple owners who are not married, all owners must qualify and elect to defer the taxes.<br><br>For 2024, the income eligibility limit for the highest benefit is $36,700. Applicants must have income less than 150% ($55,000) of the income eligibility limit. The limit is adjusted annually by the percentage change in the cost-of-living adjustment to Social Security.<br>If an applicant ceases to be eligible for the program, the deferred taxes from the previous three years are due and payable. | An owner who receives this benefit may not receive other property tax relief.<br><br>An otherwise qualified owner does not lose the benefit due to a temporary absence from their residence for medical reasons or if confined to a rest home or nursing home. During this period, the residence must be unoccupied or occupied by the owner's spouse or other dependent.<br><br>If the owner is not eligible for a continued deferral for a tax year, the deferred taxes are carried forward. If the owner transfers the property, dies, or ceases to use the property as a permanent residence, the last three years of deferred taxes prior to a disqualifying event are due and payable with interest on the date of the disqualifying event.<br><br>To receive the benefit, an application must be submitted by June 1st of the year prior to receiving the benefit. The application must be filed every year. | |
| Oregon | Property Tax Deferral for Disabled or Senior Citizens | The benefit is a deferral of property taxes including those for special assessment improvement purposes with a 6% interest rate per annum.<br>The state reimburses the county for the deferral and the property owner owes the deferred property taxes to the state.<br>This deferral results in a lien being placed on the property for the taxes deferred plus interest. | Only homestead property is eligible for this program. The home must have a real market value within the limitation of the county and be insured for fire and other casualties. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Wealth Limit, Surviving Spouse, Other Criteria | Applicants must be at least 62 years old, be disabled, and/or receive federal Social Security Disability benefits.<br>2023 Household income must not exceed $55,500 for application in 2024. The Oregon Department of Revenue calculates a new limit each year which is primarily based on the Consumer Price Index for All Urban Consumers, West Region.<br>The claimant's net worth must be less than $500,000, excluding their home's value under the Property Tax Deferral program and personal | Applications must be submitted to the county assessor where the residence is located by 15 April. Participants in the program are required to certify their continuing eligibility every two years after initial approval.<br><br>The growth of new applicants is limited to a 5% increase over the prior year's new program participants.<br><br>Taxes become payable upon (a) the death of a claimant; (b) the sale of the property or when it is no longer inhabited as a homestead (unless reasons of | The Property Tax Deferral Program, created in 1962, had more than 12,000 participants in the 1980s but dropped to about 3,500 last year, according to advocates. https://www.kptv.com/2025/12/30/oregon-property-tax-deferral-program-sees- |

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
|---|---|---|---|---|---|---|---|
| | | | | | property.<br><br>The claimant must own and live in the homestead for at least five years, but those who have lived away from the property for medical reasons must attach a medical statement on letterhead from their healthcare provider stating that they must be away from their home for health-related reasons. Claimants who have not lived and owned their homes for five years can still qualify if they satisfy the following criteria: (1) their home was in the Property Tax Deferral program; (2) the new home has a lower real market value (RMV); (3) the old home was sold and new home purchased within one year; (4) no more than 80 percent of the purchase price of the new home is financed; and (5) the deferral lien on the prior homestead is satisfied. Once the criteria are met the Department of Revenue will send a supplemental worksheet to complete.<br><br>The real market value (RMV) of the home must be less than the greater of the designated percentage of the county's average RMV (which varies based on the applicant's tenure in their homestead) or the 2023 limit of $271,000. The Oregon Department of Revenue calculates a new limit each year which is partially based on the Consumer Price Index for All Urban Consumers, West Region.<br><br>Claimants must not have a reverse mortgage, were on the Property Tax Deferral program with a reverse mortgage prior to 2011, or acquired a reverse mortgage between 2011-2016. If a claimant had entered into a reverse mortgage on or after July 1, 2011, but before January 1, 2017, and has at least 40% equity in the home at the time of filing, the claimant may qualify for deferral.<br><br>At the time of filing, there not may be deferred, delinquent, or canceled taxes on the home.<br><br>A surviving spouse or disabled heir of the property may continue the deferral if the property becomes their homestead within 2 years of the claimant's death. A surviving spouse must be at least 60 years old no later than 6 months after the claimant's death and otherwise meet the program requirements. Surviving spouses and disabled heirs are exempt from the provision that deferred taxes on the homestead must not be delinquent or canceled. A surviving spouse or disabled heir must apply by the next April 15th or within 180 days from the date of the deceased participant’s death (whichever is later) to continue the deferral. | health prevent the owner from occupying the property as a homestead); or (c) the end of the claimant's qualifying disability. If income rises above the eligibility threshold, the taxes eligible for deferral are reduced by $0.50 for every $1.00 of income above the threshold. The deferral may be continued after the property is condemned by the Department of Transportation.<br><br>At the time of application, applicants must submit a fee of 10% of property taxes owed if it is between $20 and $150 (adjusted annually for inflation). | declining-participation-despite-available-funds/ |

## Statewide Property Tax Deferral Programs

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
|---|---|---|---|---|---|---|---|
| South Dakota | Property Tax Deferral (Property Tax Homestead Exemption) | The benefit is a deferral of property tax payment until the home is sold or transferred. Deferred taxes constitute a lien on the property and must be paid along with interest (4% accrual each year) before the property can be transferred. The property taxes deferred may not exceed the property's value. | Only single-family homes are eligible for this deferral. Single-family homes include houses, condominium apartments, or manufactured homes and up to one acre of land upon which they are located. | Age, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse, Other Criteria | Applicants must be at least 70, have owned a single-family dwelling for at least 3 years or have been a resident of South Dakota for at least 5 years, resided in the residence for which the tax deferral is being sought for at least 8 months of the previous calendar year, and have a household income of less than $17,392 (single) or $21,740 (combined household).<br>Unremarried surviving spouses who meet these conditions also are eligible.<br>Recipient of this are not eligible for the Property Tax Refund, but can still be eligible for the Sales Tax Refund program. | Beginning tax year 2024, the income ceiling is annually adjusted for inflation based on the index factor, determined by the greater of (1) the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics for the prior year or (2) the prior year's percentage change in federal social security payments. These changes are pursuant to S.L. 2023, ch. 29, s. 1 ~ 28 (S.B.26).<br><br>The property taxes and interest deferred may not exceed the property's value.<br>Applicants who qualify for this program are not eligible for the Property and Sales Tax Refund program.<br>Applications for the deferral must be made annually by 1 April of each year for which the applicant wishes to defer taxes. | |
| Texas | Deferral for Elderly, Disabled Person, or Disabled Veteran | A claimant is entitled to defer taxes on property owned and occupied as a residence homestead. The deferral remains until the 181st day after the taxing unit's collector delivers a notice of delinquency following a disqualifying event.<br><br>A tax lien is placed on the property and interest, at an annual rate of 5%, accrues during the deferral. No penalty is assessed during a deferral period, but an additional penalty may be imposed and collected only if the deferred taxes remain delinquent after the 181st day following the deferral's expiration. A plea of limitation, laches, or want of prosecution does not apply against the taxing unit due to the deferral. | The property must be owned and occupied as a residence homestead by the applicant. To qualify as a residence homestead, the property must be the principal residence of the owner, a surviving spouse, an heir, or a qualified trustor and may not exceed 20 acres. | Age, Disability, Homeowner, Principal Residence, Surviving Spouse | The owner must either be at least 65 years old, disabled, qualified to receive an exemption for disabled military veterans, or be the surviving spouse of a military member killed on active duty. The owner must occupy the property as a residence homestead.<br><br>If an individual who qualifies for a deferral dies, the deferral continues until the 181st day after that which the surviving spouse no longer owns and occupies the property as a residence homestead if (1) the property was the residence homestead of the deceased spouse when the deceased spouse died, (2) the unremarried surviving spouse was 55 years of age or older when the deceased spouse died, and (3) the property was the residence homestead of the surviving spouse when the deceased spouse died. An heir property owner of qualified property is considered the sole owner of the property.<br><br>The surviving spouse of a qualified disabled veteran or US armed service member killed in action is eligible for the deferral, regardless of age, if the property is used as their residence homestead and does not remarry. | | |
| Texas^ | Deferral on Appreciating Residence Homestead | Claimants are entitled to defer taxes imposed on the portion of their residence homestead that exceeds the sum of 105% of the prior year's appraised value and the market value of all new improvements.<br><br>After an affidavit is filed, taxing units may not file suit to collect delinquent deferred taxes until a claimant no longer owns and occupies the property as a residence homestead.<br><br>A deferral under this section applies only to ad valorem taxes imposed beginning with the tax | The property must be owned and occupied as a residence homestead by the applicant.<br><br>To qualify as a residence homestead, the property must be the principal residence of the owner, a surviving spouse, an heir, or a qualified trustor and may not exceed 20 acres. | Homeowner, Principal Residence, Surviving Spouse, Other Criteria | Claimants may not receive this benefit if the property taxes that do not qualify for the deferral become delinquent.<br><br>An unremarried surviving spouse may be eligible for the deferral. An heir property owner who qualifies their heir property as their residence homestead is considered the sole owner of the property. | If a deferral was granted in a prior tax year and in the current tax year the assessed value of the property falls below the sum of 105% of the prior year's appraised value and the market value of all new improvements to the property the deferral is reduced.<br><br>A tax lien remains on the property and interest accrues while taxes are deferred. The annual interest rate during the deferral is 8%.<br><br>Interest and penalties that were incurred before the individual files the deferral affidavit are preserved. A penalty is not incurred on deferred taxes during a | |

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
|---|---|---|---|---|---|---|---|
| | | year following that in which the claimant qualified the property for an exemption as a residence homestead. | | | | deferral period. An additional penalty may be imposed and collected only if the deferred taxes remain delinquent on or after the 91st day after the date the deferral period expires. | |
| Utah^ | Property Tax Deferral for Large Increases | For those with qualifying increases in valuation for 2023 and 2024, the benefit is a deferral of all property taxes for five years, with repayment of 20% each year.<br>The deferred taxes and interest constitute a lien against the property. | The property must be an attached or detached single-family residential property. | Homeowner, Principal Residence, Other Criteria | The applicant may qualify for a deferral if the valuation of the residential property is at least 150% higher than the valuation in the prior year. The program is for qualifying increases in 2023 and 2024 only. | Effective 1 January 2024, the program was expanded to include those homeowners for whom the valuation of the property is at least 150% higher than for the previous year. This applies to assessments as of 1 January 2023 or 1 January 2024. Applications have to be submitted by 30 June 2025. | |
| Utah | Property Tax Deferral for Seniors | The benefit is a deferral of all property taxes. The deferred taxes and interest constitute a lien against the property. | The property must be an attached or detached single-family residential property. | Age, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Wealth Limit, Surviving Spouse | The applicant must be 75 years old or older and occupy the property as their primary residence as of January 1st of the application year.<br><br>The applicant's household income must be below 200% of the maximum household income that would make someone eligible for the Utah homeowner's credit, meaning that in 2024, the applicant's 2023 income may not be greater than about $81,000.<br><br>The market value of the home must be less than the median property value of attached and detached single-family residences in the applicant's county OR the applicant has owned the home continuously for the previous 20 years.<br><br>The applicant's "liquid resources" in the prior year must be less than 20 times the prior year's tax liability.<br><br>The applicant must not be the owner of income-producing assets that could be liquidated to pay the tax.<br><br>When determining if a deferral shall be provided, a county must consider an asset transfer to a relative by an applicant for deferral if the transfer took place during the three years prior to the application date.<br><br>Every holder of a mortgage or trust deed on the property must provide written approval of the application. | Effective 1 January 2023, the deferral program for seniors is no longer a local option. This change is pursuant to 2023 Utah Laws ch. 354, § 3 (S.B.81). Applications are generally due to the county by 1 September, but counties have the option to extend the deadline until 31 December. Annual application is required.<br><br>Deferred taxes accrue interest at a rate equal to 50% of the sum of 6% and the federal funds target rate established by the Federal Open Markets Committee on the prior 1 January if the rate is not less than 7% or more than 10%.<br><br>Deferred taxes become due when the owner sells or otherwise disposes of the property, or dies.<br>Liquid resources include cash on hand, money in a checking or savings account, savings certificates, and stocks or bonds, but they do not include household income.<br><br>A relative is a spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or a spouse of any of these individuals. | |
| Washington | Property Tax Deferral for the Elderly or Disabled | Eligible homeowners may defer the payment of property taxes or special assessments. The deferred taxes may not exceed 80% of the claimant's equity in the residence. | Eligibility is limited to the applicant's principal place of residence and up to 1 acre of land. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse, Other Criteria | Claimants must be at least 60 years old or retired due to disability. A surviving spouse, domestic partner, heir, or devisee can maintain the deferral if they are 57 years or older and meet other criteria.<br><br>Participants must occupy their residence for more than 6 months each calendar year and have an income within the threshold. For 2020-2024, the limit is the greater of $45,000 or 75% of the county median household income.<br>The income threshold is adjusted every 3 years based on each county's median income or the | The claimant must have fire and casualty insurance to the extent of the state's interest in the residence's value that names the Washington State Department of Revenue as "loss payee".<br><br>The deferral becomes a lien on the house and is due when the property is sold, the owner passes away, or they no longer fulfill the eligibility requirements.<br><br>Interest accrues at a rate of 5%.<br><br>Applications are due to the county assessor's office at | |

## Statewide Property Tax Deferral Programs

| State | Program Name | Benefit | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | Footnotes | Participation Notes |
|---|---|---|---|---|---|---|---|
| | | | | | growth in the consumer price index (CPI) for all urban consumers for the prior 12 months. The CPI adjustment cannot exceed 1%. | least 30 days before taxes are due. Late applications may be accepted and annual renewal is required. Unpaid prior year's taxes can be included on the application and separate applications are not required for previous years. | |
| Washington | Property Tax Deferral for Homeowners with Limited Income | The benefit allows qualified applicants to defer payment of 50% of property taxes, special assessments, or both. The deferral cannot exceed 40% of the claimant's equity in the residence. | Eligibility is limited to the applicant's primary residence. | Homeowner, Income Ceiling, Principal Residence, Other Criteria | The claimant's combined disposable income must not exceed $57,000. Applicants must also have owned the property for the past 5 years, occupy the home for more than six months in the calendar year prior to the deferral, and have paid at least 50% of the special assessments and property taxes due in the year in which a claim for deferral is made. | Each claimant deferring payment of property taxes must file with the local county assessor on forms provided by the department and supplied by the assessor. The county assessor determines whether a deferral is granted but the claimant has the right to appeal the decision to the county board of equalization.<br><br>The deferral becomes a lien on the house, accrues interest, and is due when the property is sold, the owner passes away, or they are no longer eligible. Qualified applicants may participate even if they receive a homestead credit.<br><br>Applications are due 1 September but this date may be extended for good cause. Annual application is required.<br><br>The interest rate is the average of the federal short-term rate, plus 2%. The application form provides the rate for the current year. | |

**Source:** Significant Features of the Property Tax. https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/residential-property-tax-relief-programs Lincoln Institute of Land Policy and George Washington Institute of Public Policy.

(Residential Property Tax Relief Programs; accessed: 09/10/2026 03:43:49 PM)

**Maine State Legislature**
**OFFICE OF POLICY AND LEGAL ANALYSIS**
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**MEMORANDUM**

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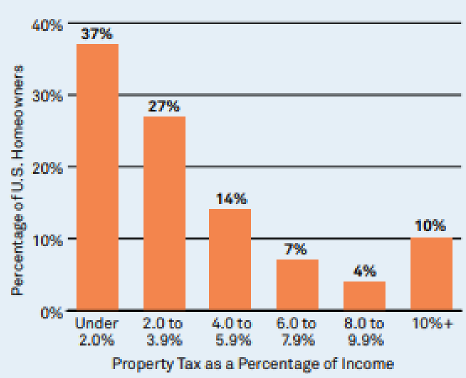
|---|---|
| **TO:** | Members, Real Estate Property Tax Relief Task Force |
| **FROM:** | Rachel Olson, Legislative Analyst |
| **DATE:** | September 15, 2026 |
| **RE:** | *Circuit Breaker Programs and Maine's Property Tax Fairness Credit Program (PTFC)* |

The Real Estate Property Tax Relief Task Force is tasked with exploring property tax relief measures and programs used by other states, particularly those states similar in geography, demographics, resident income or state and local government structure, to determine whether those relief programs could be adapted to this State.[1] Of particular interest to the Task Force in recent meetings, and directly connected to recommendation #4 in the *Real Estate Property Tax Relief Tax Force's Interim Report*, is the Maine Property Tax Fairness Credit (PTFC). The Task Force has directed Progress and Poverty Institute, the contracted entity for research and analysis, to conduct modeling related to proposed changes to the PTFC program in Maine. Additionally, as stated in recommendation #4, the Task Force recommended that the Taxation Committee "consider allowing a taxpayer's income tax credit to offset their property tax bill." The purpose of this memo is to provide an overview of circuit breaker programs generally, their use in other states, particularly related to eligibility and method of benefit disbursement, and a summary and brief history of Maine's Property Tax Fairness Credit, which is this State's circuit breaker program.

**Property Tax as a Percentage of Income (2019)**




Circuit breakers target relief to households spending the highest share of their income on property taxes, such as the 21 percent of homeowners spending 6 percent or more of their income on property taxes.

*Source: U.S. Department of Commerce 2019c.*

## Circuit Breaker Programs:

Circuit breaker programs are a form of direct property tax relief, meaning that the program provides a tax reduction to particular taxpayers. Property tax circuit breakers consider property tax payments in relation to a household's income. They are intended to prevent homeowners from being overburdened by property taxes by offering relief when property taxes exceed a threshold percentage of income.[2]

The basic formula behind a circuit breaker program is that relief is offered when property taxes exceed a certain threshold

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[1] Resolve 2025, c. 108, Sec. 6, sub-§2, ¶B

[2] Adam H. Langley & Joan Youngman, *Property Tax Relief for Homeowners*, Lincoln Inst. of Land Pol'y (Nov. 2021), https://www.lincolninst.edu/publications/policy-focus-reports/property-tax-relief-homeowners/.

percentage of income.[3] States add other features to this basic formula based on their policy objectives, estimated costs and available revenue.

Common features include:[4]

- Eligibility criteria other than income: *Limiting their circuit breaker programs by establishing eligibility criteria other than income, including, most commonly, age (senior citizens), disability, or veteran status.*

- Enhanced benefits for certain groups: *Offering population groups, such as those listed above, enhanced benefits.*

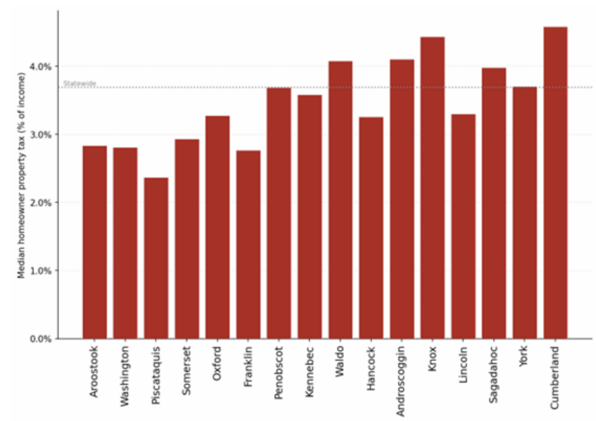
- Renters: *Offering the circuit breaker program to renters in addition to homeowners.*

- Thresholds: *Specifying a threshold percentage of income that property taxes must exceed before any tax relief is available. A program may have a* *<u>single-threshold formula</u>* *or a* *<u>multiple-threshold formula</u>*. *(Note: For programs that include both homeowners and renters, some states use a multiple-threshold formula for homeowners and a single-threshold formula for renters.)*

- Sliding-scale circuit breakers: *Defines several income brackets, and all claimants within an income bracket qualify for the same percentage reduction in taxes, regardless of size property tax bills.*

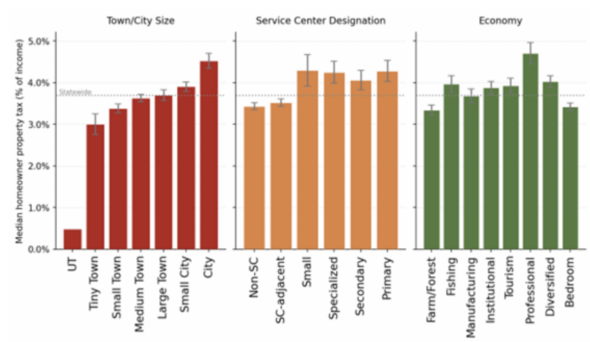
**Maine**

**By County**




***Property tax as a share of income, by county (2022).*** *Median owner-occupied homeowner; dotted line = statewide 3.7%. Counties ordered by median household income (lowest to highest). Source: 2022 ACS 5-year estimates; 2022 Municipal Valuation Return.*

**By Municipality Type**




***Property tax as a share of income, by municipality type (2022).*** *Median owner-occupied homeowner; dotted line = statewide 3.7%; error bars show the standard error of the within-group mean. Source: 2022 ACS 5-year estimates; 2022 Municipal Valuation Return.*

- Quasi circuit breakers: *Combined elements of threshold and sliding-scale circuit breakers using multiple income brackets to target aid to low-income households. However, unlike a threshold or sliding scale system, benefits are determined without reference to a claimant's property tax bill, except that they cannot exceed the actual property tax paid. (Note: Not always considered/analyzed as circuit breaker programs.)*

- Income ceilings: *Including defining income for the purpose of the program.*

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[3] Stephen Hoskins, Greg Miller & Lars Doucet, *Research and Analysis for the Maine Real Estate Property Tax Relief Task Force: Mid-2026 Report, Final Version*, Progress & Poverty Inst. & Ctr. for Land Econ. (May 2026), https://legislature.maine.gov/doc/12515. (Charts)

[4] John H. Bowman, Daphne A. Kenyon, Adam Langley & Bethany P. Paquin, *Property Tax Circuit Breakers: Fair and Cost-Effective Relief for Taxpayers*, Lincoln Inst. of Land Pol'y (2009), https://www.lincolninst.edu/app/uploads/legacy-files/pubfiles/property-tax-circuit-breakers-full_0.pdf.

- Benefit limits: *Maximum benefit, copayment/coinsurance, caps on very high-value homes.*
- Delivery of Benefit: *Separate process paying out benefit through direct rebate check; income tax credit; directly reducing taxpayer's property tax liability through an exemption to assessed value or a credit on the tax bill.*

**Circuit Breaker Programs – By the Numbers (2024):**

The following information comes from the Lincoln Institute of Land Policy's *Significant Features of the Property Tax Database* on residential property tax relief programs.[5] The attached charts do not include local-option programs. The list of states with circuit breaker programs is broken into two charts. The first includes state programs that are based on income threshold eligibility, although those programs may also include enhanced benefits for special populations within the program. The second chart lists circuit breaker programs available only to certain population groups within certain income thresholds. The information below provides a snapshot of key data points:

- Twenty-nine states and D.C. provide some form of a circuit breaker program:
    - Twelve states and D.C. provide circuit breakers based on income levels. These states are CT, ME, MD, MI, MN, MT, NH, NJ, NY, VT, WV, and WI. *Note: providing benefits to all ages based only on income does not mean providing the same benefits. In many cases, enhanced benefits are provided based on other eligibility criteria, such as age (senior citizens).*
    - Twenty-one states provide circuit breaker programs with other eligibility requirements other than income. The most common eligibility requirements are age (senior citizens), disability, or veteran status. These states are AZ, CO, CT, ID, IA, KS, MA, MI, MO, MT, NE, NM, NC, ND, OK, PA, RI, SD, UT, WA, and WV. *Note: In the case of three states, these are separate circuit breaker programs from their income-only programs, rather than operating as an enhancement (CT, MI, and MT).*
    - Eighteen states include renters in at least one of their programs.
- Benefit Disbursement:
    - Seventeen states provide the benefit as a credit to the income tax bill, including Maine.
    - Eight states provide the benefit as a direct payment to the taxpayer.
    - Seven states provide the benefit as a credit to the property tax bill (CT, ID, IA, MD, MT, SD, UT) and three states provide the benefit as an exemption from assessed value (ND, NE, and WA). Only MD and MT do so for income threshold eligibility circuit breaker programs. The other eight states' circuit breaker programs are population specific programs. *Note: North Carolina's program is a deferral program, where the deferred taxes create a lien on the property.*

[5] Lincoln Inst. of Land Pol'y & George Wash. Inst. of Pub. Pol'y, *Residential Property Tax Relief Programs*, Significant Features of the Property Tax, https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/residential-property-tax-relief-programs (last visited Sept. 10, 2026).

**Maine's Property Tax Fairness Credit (2026):**

The following provides a brief overview of the current PTFC program. Please refer to the include statute for a more complete list of definitions, criteria, and other information.[6]

To be eligible for the program, the following criteria apply:

- Resident of the State.
- Homestead property or rent constituting property taxes paid on a homestead.
- Property taxes or rent equivalent must fall below a certain dollar threshold based on income tax filing status and number of qualifying children for the child tax credit or age (65+). This is known as the "benefit base."
    - The benefit base ranges from $2,050 for persons filing as single individuals to $3,250 for persons filing as heads of household that can claim the federal child tax credit for more than one qualifying child or filing jointly and can claim the federal child tax credit for at least one qualifying child. The benefit base is $4,000 for individuals 65 years of age or older.
    - Married taxpayers who file separate returns are not eligible for the credit.
- Income is defined at FAGI increased by various commonly (and perhaps uncommonly) deducted items, such as SSA payments not included in FAGI, educator expenses, certain business and self-employment expenses, HSA deductions, student loan interest and tuition and fees.
- Rent is defined as 15% of the gross rent actually paid, exclusive of charges for any utilities, services, furniture, furnishings, or personal property appliance furnished by the landlord as part of the rental agreement.

The credit in 2026 and after is as follows:

- For tax years beginning on or after January 1, 2026 (or 2024 in the case of 65+), the credit is equal to the amount by which the benefit base (property taxes or rent) exceeds 4% of the resident individual's income, except that:
    - For tax years beginning on or after January 1, 2026, the credit may not exceed $1,500 for resident individuals <u>under 65 years of age</u>.
    - For tax years beginning on or after January 1, 2024, the credit may not exceed $2,000 for resident individuals <u>65 years of age or older</u>. If filing jointly, only one spouse needs to be over the age of 65 to qualify for the higher credit amount.

Additional credit:

- A resident individual who is a *veteran who is 100% permanently and totally disabled* is allowed an additional credit in an amount equal to the amount calculated using the formula described above, except that the credit may not exceed the property taxes, rent, or a combination of both paid. The statute includes definitions for "100% permanently and totally disabled" and for "veteran." In the case of married individuals, only one spouse is required to be a qualifying veteran.

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[6] 36 MRSA §5219-KK (includes amendments enacted in the 2nd Regular Session of the 132 Legislature).

**History of Maine's PTFC Threshold Percentages and Maximum Credit Amounts:**

The current version of the PTFC was established for tax years beginning on or after January 1, 2014. In its earliest years, the program provided a credit equal to 50% of the amount by which the benefit base exceeds 6% of the resident's income. The credit maximum was $600 and $900 for individuals 65+.

In 2018 and 2019, the 50% amount by which the benefit base exceeds 6% was eliminated, allowing for the full amount in excess of 6% of the resident's income. The credit increased to $750 and $1,200 for individuals 65+.

In 2020, the percentage threshold decreased to 5%, but the credit limits remained the same.

In 2021, the percentage remained the same, but the credit limit increased to $1,000 and $1,500 for individuals 65+.

For tax years 2022 and after the percentage threshold decreased to 4% and the credit limits were as follows:

- 2022 through 2025: $1,000 for resident individuals under 65 years of age
- 2022 through 2023: $1,500 for resident individuals 65 years of age or older

The PTFC program was most recently amended in Public Law 2025, chapter 650.

**§5219-KK. Property tax fairness credit for tax years beginning on or after January 1, 2014**

For tax years beginning on or after January 1, 2014, a Maine resident individual is allowed a property tax fairness credit as computed under this section against the taxes imposed under this Part. [PL 2013, c. 551, §3 (NEW).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. For tax years beginning before January 1, 2018, "benefit base" means property taxes paid by a resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

(1) For persons filing as single individuals, $2,000;

(2) For persons filing joint returns or as heads of households that claim no more than 2 personal exemptions, $2,600; and

(3) For persons filing joint returns or as heads of households that claim 3 or more personal exemptions, $3,200. [PL 2017, c. 474, Pt. B, §12 (AMD).]

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

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

(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;

(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

(4) For tax years beginning on or after January 1, 2024, notwithstanding subparagraphs (1), (2) and (3), for individuals 65 years of age or older, $4,000. [PL 2023, c. 523, Pt. B, §4 (AMD).]

B. "Dwelling" means an individual house or apartment, duplex unit, cooperative unit, condominium unit, mobile home or mobile home pad. [PL 2013, c. 551, §3 (NEW).]

C. "Homestead" means the dwelling owned or rented by a taxpayer or held in a revocable living trust for the benefit of the taxpayer and occupied by the taxpayer and the taxpayer's dependents as a home and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. For purposes of this paragraph, "owned" includes a vendee in possession under a land contract, one or more joint tenants or tenants in common and possession under a legally binding agreement that allows the owner of the dwelling to transfer the property but continue to occupy the dwelling as a home until some future event stated in the agreement. [PL 2013, c. 551, §3 (NEW).]

D. "Income" means federal adjusted gross income increased by the following amounts:

(1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S

corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;

(2) Interest received to the extent not included in federal adjusted gross income;

(3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and

(4) The following amounts deducted in arriving at federal adjusted gross income:

(a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);

(b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);

(c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);

(d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);

(e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);

(f) Moving expenses pursuant to the Code, Section 62(a)(15);

(g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);

(h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);

(i) The self-employed health insurance deduction pursuant to the Code, Section 162(l);

(j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);

(k) Alimony paid pursuant to the Code, Section 62(a)(10);

(l) The IRA deduction pursuant to the Code, Section 62(a)(7);

(m) The student loan interest deduction pursuant to the Code, Section 62(a)(17); and

(n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18). [PL 2017, c. 474, Pt. B, §14 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

E. "Rent constituting property taxes" means 15% of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead in the State. For the purposes of this paragraph, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement. If the landlord and tenant have not dealt with each other at arm's length, and the assessor is satisfied that the gross rent charged was excessive, the assessor may adjust the gross rent to a reasonable amount for purposes of this section. [PL 2013, c. 551, §3 (NEW).]

[PL 2023, c. 523, Pt. B, §4 (AMD).]

**2. Credit prior to 2018.** For tax years beginning before January 1, 2018, a resident individual is allowed a credit against the taxes imposed under this Part in an amount equal to 50% of the amount by which the benefit base for the resident individual exceeds 6% of the resident individual's income. The credit may not exceed $600 for resident individuals under 65 years of age as of the last day of the taxable year or $900 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $900 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2017, c. 474, Pt. B, §15 (AMD).]

**2-A. Credit in 2018 and 2019.** For tax years beginning on or after January 1, 2018 and before January 1, 2020, a resident individual 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 6% of the resident individual's income. The credit may not exceed $750 for resident individuals under 65 years of age as of the last day of the taxable year or $1,200 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $1,200 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2019, c. 343, Pt. H, §5 (AMD).]

**2-B. Credit in 2020.** For tax years beginning on or after January 1, 2020 and before January 1, 2021, a resident individual 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 5% of the resident individual's income. The credit may not exceed $750 for resident individuals under 65 years of age as of the last day of the taxable year or $1,200 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $1,200 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2021, c. 398, Pt. H, §6 (AMD).]

**2-C. Credit in 2021.** For tax years beginning on or after January 1, 2021 and before January 1, 2022, a resident individual 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 5% of the resident individual's 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 $1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $1,500 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2021, c. 398, Pt. H, §7 (NEW).]

**2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022, a resident individual 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 4% of the resident individual's income. ~~The~~ For tax years beginning on January 1, 2022 and before January 1, 2026, 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~~. For tax years beginning on or after January 1, 2026, the credit may not exceed $1,500 for resident individuals under 65 years of age as of the last day of the taxable year. For tax years beginning before January 1, 2024, the credit may not exceed $1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. For tax years beginning on or after January 1, 2024, for resident individuals 65 years of age and older, the credit may not exceed $2,000. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $1,500 or $2,000 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2023, c. 412, Pt. S, §4 (AMD).][PL 2025, c. 650, Pt. CCCC, §1 (AMD).]

**2-E. Permanently and totally disabled veterans; additional credit.** For tax years beginning on or after January 1, 2023, in addition to the credit under subsection 2-D, a resident individual who is a veteran who is 100% permanently and totally disabled is allowed an additional credit against the taxes imposed under this Part in an amount equal to the amount calculated under subsection 2-D. The combined credit under subsection 2-D and this subsection may not exceed the property taxes paid by the resident individual or the bureau pursuant to chapter 908 on behalf of the resident individual during the tax year on the resident individual's homestead in this State and rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State, combined. In the case of married individuals filing a joint return, only one spouse is required to be a veteran who is 100% permanently and totally disabled to qualify for the additional credit allowed under this subsection. For the purposes of this subsection, "100% permanently and totally disabled" means having a rating by the United States Department of Veterans Affairs at 100% for one or more service-connected disabilities that are rated permanent and "veteran" ~~has the same meaning as in section 653, subsection 1, paragraph E~~ means an individual who was on active duty in the Armed Forces of the United States and who, if discharged, retired or separated from the Armed Forces of the United States, was discharged, retired or separated under conditions other than dishonorable. *[PL 2025, c. 650, Pt. M, §18 (AMD)]*

[PL 2023, c. 360, Pt. B, §14 (AMD).]

**3. Refundability of credit.** The tax credit under this section is refundable after the application of nonrefundable credits.

[PL 2013, c. 551, §3 (NEW).]

***REVISOR'S NOTE:*** (Section 5219-KK as enacted by PL 2013, c. 599, §1 is REALLOCATED TO TITLE 36, SECTION 5219-LL)

SECTION HISTORY

RR 2013, c. 2, §46 (RAL). PL 2013, c. 551, §3 (NEW). PL 2013, c. 599, §1 (NEW). PL 2017, c. 211, Pt. D, §§6, 7 (AMD). PL 2017, c. 211, Pt. D, §14 (AFF). PL 2017, c. 474, Pt. B, §§12-16 (AMD). PL 2017, c. 474, Pt. B, §26 (AFF). PL 2019, c. 343, Pt. H, §§5, 6 (AMD). PL 2021, c. 398, Pt. H, §§6-8 (AMD). PL 2021, c. 483, Pt. AA, §1 (AMD). PL 2021, c. 483, Pt. AA, §21 (AFF). PL 2021, c. 635, Pt. F, §1 (AMD). PL 2021, c. 703, §1 (AMD). PL 2023, c. 360, Pt. B, §§13, 14 (AMD). PL 2023, c. 412, Pt. S, §§1-4 (AMD). PL 2023, c. 523, Pt. B, §4 (AMD).

## Circuit Breaker Programs (2024) – Based on income only

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
|---|---|---|---|---|---|---|---|---|---|---|
| Connecticut | Income Tax Credit for Property Taxes Paid (Circuit Breaker)<br><br>Note: *Program includes property taxes paid for motor vehicles.* | Benefit Varies with Income | Taxpayers receive a non-refundable income tax credit for all or a portion of their property taxes for their primary residence or motor vehicles. The amount of the credit is determined by income and marital status with a maximum credit of $300.<br>The credit is reduced by 15% for every $10,000 that an applicant's income or a fraction thereof in adjusted gross income exceeding the threshold of $49,500 for unmarried individuals; $54,500 for heads of household; and $70,500 for married households. The income brackets for married filing separately increase by $5,000. | Credit to the income tax bill | This credit applies to property taxes paid on a primary residence or motor vehicle. | Homeowner, Income Ceiling, Principal Residence, Other Criteria | To qualify, taxpayers must have paid property taxes on their primary residence or motor vehicle. Beginning with taxes for 2022, the credit is available to all adults who meet the income eligibility.<br>The amount of the credit for 2023 taxes filed in 2024, up to a maximum of $300, is determined by income and marital status. The maximum income is $109,500 for a single filer; $65,250 for a married filing separately; $114,500 for head of household and $130,500 for filing jointly. | State reimburses all of the local government tax loss | The state issues a credit directly to the taxpayer. | "Income" is income from all sources including but not limited to wages, pensions and disability benefits. Social security benefit adjustments, military retirement benefits, sale of local and state bonds among others are not counted as income. |
| District of Columbia | Regular and Elderly Circuit Breaker (Schedule H) | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The benefit is a refundable income tax credit equal to the amount by which real property taxes paid exceeds a percentage of their household gross income for that year. It can also be applied to 20% of rent paid if the rent paid constitutes a property tax.<br><br>The credit shall not exceed a total of $1,325 for tax year 2024. The amount of the credit will be annually adjusted based on the Consumer Price Index.<br><br>For those under the age of 70, the size of the benefit is determined using three income brackets.<br>For the lowest bracket, household income of $0 - $24,999, the tax credit equals 100% of property tax exceeding 3% of adjusted gross income.<br>For the highest bracket, household income of $52,000 - $57,600, the tax credit equals 100% of property tax exceeding 5% of adjusted gross income.<br>For those age 70 or older the tax credit equals 100% of the property tax that exceeds 3% of adjusted gross income.<br><br>For renters, the credit must be reduced by the amount of any rental supplement payments provided by Rental Housing Act of 1977.<br>The credit may be used to reduce D.C. income or other property tax liabilities of the claimant before the remainder is refunded.<br>If a claimant dies before receiving the benefit, the benefit will be applied to their estate.<br>For tax year 2022 applications are filed by April 18, 2023. | Credit to the income tax bill | Eligible property is limited to the claimant's primary residence, whether owned or rented, and the surrounding land necessary for use as a home. It may include a multi-unit building or a multi-purpose building and a part of the land upon which it is located. | Age, Homeowner, Income Ceiling, Principal Residence, Renter, Other Criteria | To be eligible, claimant must be an owner of a home in D.C., or a lessee or tenant paying rent on a home in D.C., during the entire calendar year preceding the year in which he files a claim for relief. The benefit can only be applied if it is a claimant's primary place of residence.<br><br>For tax year 2023 filing in 2024, the maximum adjusted gross income is $61,300 for those under the age of 70.<br>For those 70 or older, the maximum adjusted gross income is $83,700.<br>Income thresholds will be adjusted annually.<br><br>Household gross income does not include gifts from a nongovernmental source, food stamps, or other food assistance provided by the government.<br>Rent paid does not include advanced payments for another period, rental deposits, medical service or food provided by the landlord, right of occupancy payments which are exempt from D.C. taxation.<br>A person claimed as a dependent on another person's tax return cannot receive these benefits unless they are 65 years of age or older. | Local government covers all of its tax loss | The credit is administered through the personal income tax. | Applications can be filed for the previous three years. |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
|---|---|---|---|---|---|---|---|---|---|---|
| Maine | Property Tax Fairness Credit Circuit Breaker (Previously Maine Residents Property Tax and Rent Refund Program: General and Senior Refund Programs) | Benefit Varies with Income, Minimum Tax Amount Must be Paid, Other Variation in Receipt of Benefits | The benefit is a refundable credit to the income tax bill. The credit is equal to the amount by which the benefit base exceeds 4% of the resident's income. The benefit base is the amount of property taxes paid or rent constituting property taxes, up to a certain limit that varies by filing status and number of dependents.<br>The maximum amount of the credit is $1,000, or $1,500 for applicants over 65 years old.<br>Rent constituting property tax is considered 15% of annual gross rent (which excludes charges for heat or other utilities).<br>At local option, municipalities may adopt a program through a vote of their legislative body, that provides tax assistance to people who are homestead residents in the municipality provided that the following conditions are met.<br>(1) the program must provide benefits for both owners and renters of homesteads.<br>(2) the program must calculate benefits in a way that provides greater benefits proportionally to those with lower incomes in relation to their property taxes (or rent constituting property tax)<br>These programs are administered by municipalities. Consult local taxing authority for information on applications, deadlines, and eligibility requirements. | Credit to the income tax bill | Only residential property is eligible for this program. The homestead may consist of a part of a multi-dwelling or multipurpose building and up to 10 acres of contiguous land. Separate parcels of land are considered contiguous if separated solely by a road, or public or private right of way. | Age, Homeowner, Income Ceiling, Principal Residence, Renter | Prior year household income may not exceed $57,500 for single filers. For heads of household with one exemption or less, and for married couples filing jointly or qualifying widow(er)s with no exemptions, the income ceiling is $75,000. For heads of household with two or more exemptions, and for married couples filing jointly or qualifying widow(er)s with one or more exemptions, the income ceiling is $92,500. Claimants must have resided in Maine for all 12 months of the tax year and must have rented or owned the property for all 12 months and occupied the property for at least 6 months. For married applicants, only one spouse is required to be 65 or older.<br>Married applicants filing separately are no longer eligible for the benefit. | State reimburses all of the local government tax loss | Claimants are paid directly by the state. | Effective for tax year 2023 and thereafter, an applicant's credit is doubled if the applicant or spouse is a permanently and totally disabled veteran. This change is pursuant to 2022 Me. Laws ch. 703 (LD1986). |
| Maryland | Homeowners' Property Tax Credit Program and Local Option (Circuit Breaker) | Benefit Varies with Income | The benefit is a credit for the applicant's full property tax liability minus a given amount of the applicant's prior year income. Only property taxes on the first $300,000 of assessed value minus any Homestead credit are eligible. The tax credit is based upon the amount by which the property taxes exceed a percentage of your income according to the following formula: 0% of the first $8,000 of the combined household income; 4% of the next $4,000 of income; 6.5% of the next $4,000 of income; and 9% of all income above $16,000.Some counties and municipalities have supplementary credit programs, which can increase the amount of the credit.The credit applies to state, county and municipal property taxes, but not any water and sewer charges or fees that may appear on the tax bill. | Credit to the property tax bill | Only residential property is eligible for this program. | Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Wealth Limit | The applicant must own and occupy the property as a principle residence for at least 6 months of the year, including 1 July of the year for which the tax credit is applicable. An applicant's combined household income cannot exceed $60,000.Only the first $300,000 of assessed value is considered when calculating the credit. If an applicant owns a large tract of land, the credit will be limited to the lot or curtilage on which the dwelling stands and will not include excess acreage.Applicants must have a maximum net worth of no more than $200,000, excluding the residence, IRAs, and other retirement accounts. | State reimburses all of the local government tax loss | The State reimburses local governments for the amount of credit granted to the individual, or if the tax bill has already been paid, the state issues a refund to the individual. | Effective for tax year 2024 and subsequently: For those submitting a certification in place of an application, the certification must specifically include certification that the homeowner resided in the dwelling for at least 6 months in the preceding calendar year, the homeowner continued to have income only from Social Security, a pension, or an annuity in the preceding calendar year, and that the individuals living in the homeowner's household did not change in the preceding calendar year. This change is pursuant to 2023 Md. Laws ch. 528 (SB826) and 2023 Md. Laws ch. 529 (HB897).Effective for tax year 2024 and subsequently: The local supplement may alter the combined gross income limit for the program. This change is pursuant to 2023 Md. Laws ch. 530 (HB404).The state will undertake an extensive program to identify those homeowners who are eligible for the program but have not applied.The state does not fund the locally adopted credits. Income is |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | defined as combined gross income before any deductions are taken. Income from all sources must be reported whether or not the monies received are included as income for federal and state income tax purposes. Nontaxable retirement benefits such as Social Security and Railroad Retirement must be reported as income for the tax credit program.Applications must be filed annually by 1 October in order to receive the benefit. If the benefit is filed prior to 1 May, the credit will appear as a reduction on the July property tax bill and for this reason, applicants are encouraged to apply by 1 May. The department may accept late applications up to 3 years after April 15th of the year in which the application is sought for applicants over the age of 70, for first-time applicants, and for those who had filed an application on or before October 1 in each of the 3 taxable years immediately preceding the taxable year for which the credit is sought.For those whose only sources of income are social security, a pension, and/or an annuity, an application is only required in the first year and every third year thereafter, as long as the applicant submits a certification in place of an application confirming that the homeowner resided in the dwelling for at least 6 months in the preceding calendar year, the homeowner continued to have income only from Social Security, a pension, or an annuity in the preceding calendar year, and that the individuals living in the homeowner's household did not change in the preceding calendar year. |
| Michigan | Homestead Property Tax Credit (Circuit Breaker) | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The benefit is a refundable income tax credit for 60% of the amount by which an applicant's property tax liability (or rent equivalent) exceeds 3.2% of their household resources, not to exceed $1,700 for filing in 2024 and annually adjusted based on the consumer price index. The credit is reduced by 10% for each $1,000 of household resources that exceed $58,300 (for filing in 2024 and annually adjusted based on the consumer price index. | Credit to the income tax bill | Only residential properties are eligible for this program. Each claimant can only have one homestead which they must occupy. | Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Renter | Taxable value of the property cannot exceed the taxable value cap which is $154,400 for filing in 2024 and annually adjusted based on the consumer price index.<br>The claimant must have resided in Michigan for at least 6 months of the immediately preceding year in which the credit will apply.<br>Household resources cannot exceed the resource cap which is $67,300 for filing in | State reimburses all of the local government tax loss | The state provides the benefit directly to the taxpayer. The credit is refundable. | Total household resources include all income (taxable and nontaxable) received by all adult household members during the year, including income that might be exempt from federal adjusted gross income. Losses from business, rentals and royalties, and net operating losses are excluded from household resources. |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 2023 and annually adjusted based on the consumer price index.<br>Total household resources include all income (taxable and nontaxable) received by all adult household members during the year, including income that might be exempt from federal adjusted gross income. Net losses from business activity may not be used to reduce total household resources.<br>For claimants receiving assistance from the Department of Human Services, the credit will be reduced by the percentage assistance is to total household resources. | | | Property taxes are considered to be 23% of gross rent paid.<br>Filers who are 65 or older may be eligible for Homestead Property Tax for Seniors and Disabled. |
| Minnesota | Refund for Homeowners and Renters (Regular Property Tax Refund) | Benefit Varies with Income, Minimum Tax Amount Must be Paid | For homeowners, the threshold for the ratio of taxes to income in order to qualify ranges from 1% for those in the lowest bracket to 2.5%. The lowest income brackets receive a refund of 85% of the amount of property taxes paid over the threshold and the highest brackets receive 50%. For homeowners, the maximum refund is $3,310. For renters, the threshold for the ratio of taxes to income in order to qualify ranges from 1.0% to 2.0%. The lowest income brackets receive a refund of 95% of the amount of property taxes paid over the threshold and the highest brackets receive 50%. Property taxes for renters are considered 17% of gross rent paid. The maximum refund for renters is $2,570. | Direct payment to taxpayer | Only residential property is eligible for this program, including mobile homes. The property must be classified as a homestead and may not exceed one one acre of land. | Homeowner, Income Ceiling, Principal Residence, Renter, Other Criteria | The income ceiling is $135,410 for homeowners and $73,270 for renters, based on 2023 income for the 2024 refund.Homeowners qualifying for the refund must have owned their home on January 2nd of the year in which they are applying and have a valid social security number. A homeowner or mobile home owner must have property that is classified as a homestead, or have an approved application for homestead classification. Renters must have lived in a building on which the owner was assessed property taxes, paid a portion of the rent receipts in place of property tax, or made payments to a local government in lieu of property taxes.Income is defined as federal adjusted gross income plus most types of nontaxable income. Applicants may deduct qualified retirement plan contributions, and additional deductions based on elderly (65+) or disabled status or based on the number of dependents. Dependents are not eligible to receive this benefit. Applicants must have paid or arranged to pay any delinquent property taxes on their home. Full-year residents of Michigan and those of North Dakota are not eligible. Applicants are not eligible if they are a nonresident alien living in Minnesota, their gross income was less than $4,400, and they received more than 50% of your support from a relative. The property must not be classified as a relative homestead. | State reimburses all of the local government tax loss | The state processes applications and pays refunds directly to the taxpayer. | Applicants must reduce "property taxes payable" by the portion of the property used for business when the applicant deducts any business depreciation expenses for the use of a portion of the homestead.They must have also paid or made arrangements to pay any delinquent property taxes on the home. Renters must have lived in a building in which the owner was assessed property taxes, or they must have paid a portion of the rent receipts in place of property tax, or they must have made payments to a local government in lieu of property taxes.The final deadline to claim the refund is 15 August. |
| Montana | Property Tax Assistance Program Circuit Breaker (PTAP) | Benefit Varies with Income | The Property Tax Assistance Program (PTAP) benefit applies to the first $350,000 of the primary residence's market value. Depending on marital status and income, property values are reduced 80%, 50%, or 30%<br><br>For tax year 2023 application based on 2021 taxable income.<br>Taxes are reduced by 80% for single files with income up to $13,590 and for married or head of | Credit to the property tax bill | For homes on agricultural or forest land, the benefit applies to the home and one-acre home site. | Homeowner, Income Ceiling, Principal Residence | Individuals must be owners of the residence and live in the home for at least 7 months for which the property tax relief is sought.<br>For benefits filed for tax year 2024, federal adjusted gross income (FAGI) for 2022 must not exceed $27,621 for single filers, married or head of household filers cannot have an income exceeding $37,019. For those with the lower income bracket, the reduction is 80% with a 30% exemption for those in the highest | State reimburses all of the local government tax loss | | Effective 01 October 2023: The amount of property value that is eligible for reduction is changed from $200,000 of appraised value in 2015 to $350,000 of market value in 2023 and annually adjusted using an inflation index based on the change in appraised value of a median value of residential real property participating in the property tax |

Circuit Breaker Programs (2024) – Based on income only

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | household, up to $18,310.<br>Taxes are reduced by 50% for single filers with income between $13,591 - $18,580 and for married or head of household with income $18,311 - $27,667.<br>Taxes are reduced by 30% for single filers with income between $18,581 - $27,621 and for married or head of household with income between $27,668 - $37,019. | | | | income bracket. .<br>Eligibility is limited to the applicant's primary residence where they lived for 7 months of the tax year for which the benefit is applied. | | | assistance program. The income brackets are increased. These changes are pursuant to 2023 Mont. Laws ch. 583 (HB189).<br><br>Qualifying income means the federal adjusted gross income excluding capital and income losses.<br>Income schedules are adjusted annually using the implicit price deflator for personal consumption (PCE) inflation factor.<br><br>The application must be submitted by April 15 of the first year for which the benefit is claimed. The applicant does not need to reapply in subsequent years. |
| New Hampshire | Low and Moderate Income Homeowner's Property Tax Relief (Circuit Breaker) | Benefit Varies with Income | Refund is calculated by the lesser of $200,000 assessed value adjusted by each town’s equalized ratio or the local assessed value of the property multiplied by the local equalization value. The lesser value will then be multiplied by the education tax rate. The percent of taxes refunded can range from 20% to 100%, based on a person's income and filing status. If the property is jointly owned the benefit reflects the percentage of ownership of the claimant. Only one claim may be filed for a single homestead. | Direct payment to taxpayer | Eligibility is limited to the claimant's homestead. Homestead is defined as the dwelling owned by a claimant that is used the claimant's principal place of residence; the definition excludes lands and buildings taxed using current use value. | Homeowner, Income Ceiling, Principal Residence | Owners of homestead property that is subject to the education tax who reside in said property and have incomes $37,000 or less for an individual or $47,000 or less for a married person or head of household are eligible for this program.<br>The applicant must have resided in the homestead on April 1st of the year of the claim.<br>Active duty military or those temporarily away but maintaining the homestead as the primary domicile are also eligible.<br>Refund is calculated as the product of the education tax rate and the lesser of either $220,000 assessed value adjusted by each town’s equalized ratio or the local assessed value of the homestead.<br><br>To qualify for 100% of the refund, a single applicant must have income less than $23,100.<br>For 60%, they must have income between $23,100 and $27,800;<br>for 40%, they must have income between $27,800 and $32,400; and<br>for 20%, they must have income between $32,400 and $37,000.<br><br>To qualify for 100% of the refund, a married couple or head of household must have income less than $29,400.<br>For 60%, they must have income between $29,400 and $35,300;<br>for 40%, they must have income between $35,300 and $41,100; and<br>for 20%, they must have income between $41,100 and $47,000. | State reimburses all of the local government tax loss | The state disburses benefits directly to claimants. | The definition of household income is adjusted gross income used for federal income tax purposes. Annual application is required. |

Circuit Breaker Programs (2024) – Based on income only

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| New Jersey | Affordable New Jersey Communities for Homeowners and Renters (ANCHOR) | Benefit Varies with Income | The benefit is a check or direct deposit payment of $1,500, $1,000, or $450. Homeowners with incomes of $150,000 or less will receive $1,500. Homeowners with incomes more than $150,000 and up to $250,000 will receive $1,000. Renters with incomes of $150,000 or less will receive $450. | Direct payment to taxpayer | A rental unit must be a leased residential rental unit which includes a separate kitchen and bathroom. Applicants who owned or rented a mobile home that was located in a mobile home park, are considered a tenant for purposes of applying for the ANCHOR benefit. | Homeowner, Income Ceiling, Principal Residence, Renter | Applicants must be New Jersey residents.Applicants who were residents of continuing care retirement communities whose continuing care contract required them to pay the proportionate share of property taxes attributable to the unit are considered homeowners for purposes of applying for the ANCHOR benefit and they are not considered to be living in a multiple-unit property. Owners of condominiums and resident shareholders of cooperative housing complexes are considered homeowners if they paid property taxes. Those who were completely exempt from property taxes and those who made PILOT payments to their municipality are not eligible to apply for this benefit.Applicants who are qualifying as homeowners must have owned their home and used it as a primary residence on 1 October 2020 in order to apply in 2023 and receive benefits in 2024.Applicants qualifying as renters must have lived in a property subject to property taxes on 01 October 2020, and considered that property to be their primary residence. Renters who shared an apartment with friends, must each apply separately and state the number of co-tenants that they shared the rent with. A renter's name must appear on a lease in order to qualify. | | | Funds are appropriated for the program and program guidelines are stipulated. Note that this bill references the same statutory authority as the homestead program, which ANCHOR replaced starting in TY2019. |
| New York | Real Property Tax Credit for Homeowners and Renters (Circuit Breaker) | Benefit Varies with Income, Benefit Varies with Taxes Due, Minimum Tax Amount Must be Paid, Other Variation in Receipt of Benefits | The benefit is a refundable credit to the applicant's income tax bill. The benefit varies by income with 7 different income brackets. The lowest bracket (income below $3,000) offers a credit equal to the amount that the applicant's property tax liability exceeds 3.5% of their income. The highest bracket (income between $14,001 and $18,000) offers a credit equal to the amount that the applicant's property tax liability exceeds 6.5% of their income. Additionally, the program caps a recipient's maximum credit amount based on their age and income. For those under 65, the maximum benefit ranges from $75 (if income is under $1,000) to $41 (if income is $17,000-$18,000). For those 65 years old or older, the maximum benefit ranges from $375 (if income is under $1,000) to $86 (if income is $17,001 to $18,000). | Credit to the income tax bill | Only real residential property and up to one acre is eligible for this program. Property may include a part of a multi-dwelling or multi-purpose building, including a cooperative or condominium, or rental units within a single dwelling. It may also include a trailer or mobile home. | Age, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Renter, Other Criteria | Homeowners or spouses must have paid real property taxes, lived in the state for a year, and lived in the same residence for 6 months or more.<br>The value of the property may not exceed $85,000 (including all real estate owned).<br>The average monthly rent paid by a household must be $450 or less, not including charges for heat, gas, electricity, furnishings, or board.<br>Income must not exceed $18,000. | State reimburses all of the local government tax loss | The state disburses benefits directly to the claimant through an income tax credit or direct rebate if the benefit exceeds income tax liability. | For residential property owners that rent a portion of the property, any rent received for nonresidential use of residence must be 20% or less of the total rent received. For renters, 25% of the adjusted rent is considered to be the real property tax equivalent. |
| Vermont | Property Tax Credit (Circuit Breaker) | Benefit Varies with Income, | The maximum rebate is $5,600 for adjustments for education property taxes and $2,400 credit for | Other | The property must qualify as a | Homeowner, Income | The homeowner must own and occupy the property as their principle residence and be | | | Claims are due by April 15th. Late claims are subject to a $15 fee |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | Benefit Varies with Property Value, Other Variation in Receipt of Benefits | municipal property taxes with a combined maximum of $8,000.<br>Only one claim is allowed per household per year.<br>For the municipal portion of the credit, the maximum household income is $47,000.<br>If household income is between $10,000 and $47,000, the credit is equal to the amount of the claimant's municipal tax liability in excess of 3% of their income.<br>If household income is less than $10,000, the credit is equal to the amount of the claimant's municipal tax liability in excess of 1% of their income.<br>For the education portion of the credit, the amount of the benefit is based on a credit calculation incorporating the per pupil spending for school districts, the claimant's home value, the education tax rate, and other factors. The best way to calculate an individual's credit value is by using the credit calculator available through the Department of Taxation's website.<br>If household income is $90,000 annually or greater, the claimant's homesite value is reduced by $225,000 in the calculation of the credit.<br>If household income is between $47,000 and $90,000 annually, the claimant's homesite value is reduced by $400,000 in the calculation of the credit.<br>If household income is below $47,000 annually, the claimant's homesite value is reduced by $400,000 in the calculation of the credit or, if more beneficial, the claimant may calculate the value of the credit as the full amount of education taxes due on the value of their home in excess of $15,000.<br>Furthermore, if, after calculating the education portion of the credit, the claimant's education liability is still above a certain percentage of their income, then the credit will be increased to cover all of their liability in excess of that percentage of their income. The percentage is:<br>2% for those with income between $25,000 and $47,000<br>1.5% for those with income between $10,000 and $24,999, and<br>1% for those with income less than $9,999.<br>The benefit is disbursed as a credit against any state tax liability owed by the claimant. | | homestead. Eligibility is limited to the applicant's homesite which includes up to 2 acres per dwelling unit up to a maximum of 10 acres total. | Ceiling, Principal Residence | domiciled in Vermont for the full prior calendar year with a Homestead Declaration in place for the current year's grand list.<br>The income threshold for application in 2024, based on 2023 income is $128,000.<br>The applicant must not lease their property for more than 182 days of the calendar year, or use the property exclusively for a commercial purpose and not considered to be a second home, camp, vacation, or summer cottage.<br>The applicant must be a resident of Vermont and not be claimed as a dependent on someone else's tax return. | | | deductible from the credit. No claims will be accepted after October 15th. Applicants must file a claim for the credit annually. |
| West Virginia | Homestead Excess Property Tax Credit (Circuit Breaker) | Benefit Varies with Taxes Due | This program provides a refundable credit for property taxes paid in excess of 4% of gross household income for low income individuals. The maximum credit is $1,000. "Low income" means federal adjusted gross income for the tax year that is 300% or less of the federal poverty guideline for the year in which property tax was paid. Based on 2023 income for filing in 2024, the income ceiling is $43,740 for a single-person household, $59,160 for | Credit to the income tax bill | Only residential property is eligible for this program. | Homeowner, Income Ceiling | Applicants must include schedule HEPTC-1 with their personal income tax forms annually at the due date for filing personal income tax. | State reimburses all of the local government tax loss | The state makes a payment to the taxpayer. | A homeowner can benefit from this program, the Senior Citizens' Tax Credit, or the Senior Citizen Property Tax Relief Credit but not from more than one. However, an individual can benefit from this program and the Senior Citizens' or Disabled Homeowners' Homestead Property Tax Exemption. The $1,000 credit |

**Circuit Breaker Programs (2024) – Based on income only**

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | a two-person household, and an additional $15,420 for each additional member of the household. | | | | | | | ceiling will be reviewed annually by the Legislature to determine if an adjustment is necessary. |
| Wisconsin | Homestead Credit (Circuit Breaker) | Benefit Varies with Income | The benefit is a refundable state income tax credit for property taxes paid.<br>For those with income at or below $8,060, the credit is 80% of property taxes.<br>For those with income between $8,060 and $24,680, the credit is 80% of the amount by which property taxes exceed 8.785% of household income in excess of $8,060. In filing the income tax return, schedules are provided for calculating the value of the return.<br>The maximum amount of property taxes that can be considered for any claimant as a part of the homestead program is $1,460, and therefore, the maximum credit is $1,168. | Credit to the income tax bill | Only residential property and up to 1 acre of surrounding land is eligible for this program. If a homestead that is part of a farm, up to 120 acres are eligible. | Age, Disability, Homeowner, Income Ceiling, Renter, Other Criteria | The claimant must be a homeowner or renter when filing the claim and must have resided in Wisconsin for previous whole prior year when filing the claim.<br>The household income ceiling is $24,680. For the purposes of this program, the full amount that someone receives from social security is included in their income.<br><br>The claimant or claimant's spouse must meet one of the following criteria:<br>(1) must be 62 years of age or older by the last day of the year before the claim is filed;<br>(2) must be disabled; or<br>(3) must have earned income during the year.<br><br>The claimant must be over 18 years of age but not claimed as a dependent during the year the to which the claim relates, unless the claimant is 62 years of age or older.<br>To be eligible, the claimant may not be receiving the veterans and surviving spouse property tax credit or a farmland preservation credit for the same year.<br>Homestead credit is not allowed if the claimant received Wisconsin Works (W2) payments for all 12 months of the year. | State reimburses all of the local government tax loss | Benefits are provided as a credit on state income tax. | For renters, property taxes are assumed to be 20% of rent if heat is included or 25% of rent if heat is not included in the rent.<br>Applications for credits on 2022 real estate tax bills must be filed with the Department of Revenue by April 15, 2027. |

Source: Lincoln Institute of Land Policy and George Washington Institute of Public Policy (2024). *Residential Property Tax Relief Programs*; *Significant Features of the Property Tax*. https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/residential-property-tax-relief-programs

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| Arizona | Senior Citizen Property Tax Refund Credit (Circuit Breaker) | Benefit Varies with Income | The benefit is a refundable credit to income tax bill for property taxes accrued or rent, or both, paid in that taxable year.<br><br>Information concerning the benefit for tax year 2023 which is paid in 2024 is determined by 21 income brackets with maximum relief ranging from $502 if income is under $1,751 (living alone) or $2,501 (living with spouse/dependents), to $56 if income is $3,651-$3,750 (living alone) or $5,351-$5,500 (living with spouse/ dependents).<br><br>The maximum benefit cannot exceed the property tax bill or the designated rent. The landlord designates the percentage of rent attributable to property taxes. | Credit to the income tax bill | Only homesteads are eligible for this benefit. A homestead is the principal dwelling owned or rented by the claimant. A homestead may also include a mobile home and the land upon which it is located. | Age, Homeowner, Income Ceiling, Principal Residence, Renter, Other Criteria | To be eligible, the applicant must be 65 or older during the taxable year or must be a recipient of Supplement Security Income (SSI) benefits under the Social Security Act. The applicant also must have paid either property taxes or rent during the taxable year and must have resided in Arizona the whole year.<br><br>The maximum 2023 household income for 2024 return for either homeowner or renter is $3,750 for individuals and $5,500 for married couples or those that live with others regardless of marital status.<br><br>Income is based on salary and wages and retirement income as well as income from business sources. Income does not include social security benefits or other government benefits, such as veteran's disability payments. | State reimburses all of the local government tax loss | The state provides the benefit directly to the taxpayer through the income tax. | To apply for the program, a claimant shall fill out the required forms by April 15th. A six month extension may be granted for filing the claim if it is requested by the applicant.<br><br>For applicants 70 years old or over, they may be eligible to defer payment of property taxes. If they participate in that program, they are not claim this credit. |
| Colorado | Property Tax and Rent Rebate (Circuit Breaker) | Benefit Varies with Income | The benefit is a grant to cover the property taxes owed on real property or, in the case of renters, 20% of rent paid during the taxable year. The property tax rent equivalent is 18% if heat is included.<br><br>The maximum amount of relief is $1,112. This amount is reduced by 10% of the amount by which the individual's income exceeds a stated amount. An additional refund, up to a $1,600 for joint filer and $800 for a single filer, may be available and claimed on the state income tax. This additional refund is the special TABOR refund, instead of the sales refund.<br><br>Income levels are annually adjusted for inflation according to the Denver-Aurora-Lakewood consumer price index.<br><br>Applications for 2023 rebates (paid in 2024) may be filed until 31 December 2025. | Direct payment to taxpayer | Only residential property is eligible for this program. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Renter, Surviving Spouse, Other Criteria | The claimant must have resided in the state for the full taxable year, and either be 65 years of age or older or suffer from a disability, as defined by the taxing authority administering the program. Surviving spouses must be at least 58 years of age.<br><br>To receive the rebate in 2024, the maximum income for 2023 is $18,026 for a single individual and $24,345 for a married household. | State reimburses all of the local government tax loss | The state issues a rebate directly to the taxpayer. | Income includes, but is not limited to, alimony, support money, cash public assistance and relief, pension or annuity benefits, federal social security benefits, veterans benefits, nontaxable interest, workers compensation, and unemployment compensation benefits, with some exceptions identified in statute.<br>Some municipalities refund a portion of the municipal property tax levy to senior or disabled citizens.<br><br>The property tax assistance grant cannot exceed general property taxes paid. |
| Connecticut | Circuit Breaker for Elderly or Disabled Homeowners<br><br>Note: *CT also has general program.* | Benefit Varies with Income | For homeowners applying in 2024, the maximum benefit for married homeowners is between $150 and $1,250 and the maximum benefit is $150 to $1,000 for single homeowners.<br><br>The benefit is determined by a sliding scale of relief. For married homeowners, there are 5 income brackets with tax relief ranging from | Credit to the property tax bill | Only residential property is eligible for this program, including mobile homes and homes on leased land. | Age, Disability, Homeowner, Income Ceiling, Surviving Spouse | Connecticut homeowners who are at least 65 years old or totally disabled, and whose annual income does not exceed certain limits are eligible and lived in the home for at least 1 year prior to applying.<br><br>The widow or widower, if at least 50 years old, of someone who received benefits at their time of death is eligible. | State reimburses all of the local government tax loss | The state reimburses municipalities for the cost of providing the program. | The income thresholds are indexed to the annual inflation adjustment in Social Security income with a base year of 1983.<br><br>Qualifying income is defined as adjusted gross income and tax-exempt interest, plus any other income not included in adjusted |

## Circuit Breaker Programs (2024) – Eligibility criteria other than income

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | 50% (if income is in the lowest bracket) to 10% (if income is less than $49,100).<br><br>For single homeowners, relief is determined by 4 income brackets with tax relief ranging from 40% (if income is in the lowest bracket) to 10% (if income is less than $40,300). | | | | For the 2024 benefit, an applicant's 2023 total income must not exceed $46,300 for single applicants and $56,500 for married couples. | | | gross income. Medicaid and Social Security payments for a dependent are not counted as income.<br><br>Forms and an affidavit of income must be filed with a local assessor. The program requires reapplication every other year. The application period is from 1 February to 15 May for tax relief in the following year. |
| Idaho | Property Tax Reduction Program - Circuit Breaker | Benefit Varies with Income | The benefit is a reduction in property taxes and the amount awarded is based on 36 income brackets.<br><br>The maximum income eligible is $37,000, which provides a benefit of $250; an income of $14,890 or lower provides the maximum benefit of $1,500.<br><br>Applicants must qualify and reapply each year with their local county assessor. | Credit to the property tax bill | Only homesteads are eligible for this benefit. A "homestead" is defined as the owner-occupied primary dwelling place of the claimant. It may consist of a part of a multi-dwelling or multipurpose building.<br><br>The exemption extends to the land surrounding the homestead necessary for its use as a home, but may not exceed one acre.<br>A manufactured home may be considered a homestead.<br><br>Homestead does not include personal property such as furniture, furnishings, or appliances. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Veteran, Surviving Spouse, Other Criteria | To qualify for the 2024 benefit, applicants must have a 2023 income of $37,000 or less.<br><br>A claimant must be an owner of the homestead, have a lawful presence in the United States, and as of 1 January of the year in which the claimant applies for benefit, must be any of the following: (a) over 65 years old, (b) a fatherless or motherless minor, (c) a widow or widower, (d) a qualified disabled person or recognized as disabled by public employee disability programs, (e) a disabled veteran with a disability rating of 10% or more, (e) a former POW, or (f) blind. | State reimburses all of the local government tax loss | The state directly reimburses the county in two installments. | A disabled person is recognized as disabled by the Social Security Administration, the Railroad Retirement Board, or the Office of Management and Budget. A disabled veteran of any war engaged in by the United States is one whose disability is recognized as a service-connected disability of a degree of 10% or more, or who has a pension for non-service-connected disabilities.<br><br>The adjusted gross income, includes social security and similar benefits, worker's compensation, loss of earnings insurance, and most non-taxable income. It does not include certain medical and funeral expenses, veterans' disability pensions, or veteran's and social security death benefits. |
| Iowa | Elderly and Disabled Homeowner and Renters Property Tax Credit (Circuit Breaker) | Benefit Varies with Income | The benefit is a credit of a percentage of property taxes or rent equivalent property taxes paid, the amount of which is based on 6 income brackets.The benefit amount ranges from 100% of property taxes paid for the lowest income level, to 25% of property taxes paid for the highest. For those who are 70 years old or older, the benefit is the greater of either the amount that they would have received if they were between the ages of 65 and 69 or the increase in their property tax liability compared to the first year that they qualified for the benefit.The maximum benefit may not exceed $1,000. Renters receive a direct benefit payment. If the general homestead credit is larger than this credit, than there is no credit but no refund shall be required. For renters, property taxes | Credit to the property tax bill | Only homesteads are eligible. "Homestead" means the dwelling, owned or rented, and used as a home by the claimant along with land surrounding it. This may include one or more contiguous lots or tracts of land, as is reasonably necessary for use of the dwelling as a home. A homestead may consist of a part of a multi-dwelling or multipurpose building and a part of the land upon which it is built. It does not include personal property except that a | Age, Disability, Homeowner, Income Ceiling, Renter | Applicants must be at least 65 years of age, or 100% disabled. The property must be "actually used as a home by the claimant," according to the statute.For applicants between the ages of 65 and 69, income brackets are specified by statute and income may not exceed $25,328 for application in 2024.Applicants 70 years old or older must have income below 250% of the federal poverty level.Household income means all income of the claimant and the claimant's spouse in a household and actual monetary contributions received from any other person living with the claimant during their respective twelve-month income tax accounting periods ending with or during the base year. For renters, | State reimburses all of the local government tax loss | The amount of the credit for property taxes due for a homestead shall be paid on 15 June of each year by the director to the county treasurer who shall credit the money received against the amount of the property taxes due and payable on the homestead of the claimant.Statutes | Income levels are adjusted annually by the gross domestic product price deflator computed for the second quarter of the calendar year by the Bureau of Economic Analysis of the United States Department of Commerce. Totally disabled means the inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or is reasonably expected to last for a continuous period of not less than 12 months. A person who is eligible to file a claim for credit for property taxes due with a |

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| | | | are calculated as 23% of gross rent paid by the claimant or the claimant's household. | | manufactured or mobile home may be a homestead. | | household income also includes housing benefits. | | require that funds are annually appropriated from the general fund of the state to the elderly and disabled property tax credit and reimbursement fund, from funds not otherwise appropriated, an amount sufficient to implement this benefit. If a state appropriation is not sufficient to fully fund the credit or exemption, the political subdivision shall be required to extend to the taxpayer only that portion of the credit or exemption estimated by the department of revenue to be funded by the state appropriation. | household income in the lowest bracket who has an unpaid special assessment levied against the homestead may file a claim for a special assessment credit with the county treasurer. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant.<br>Beginning in 1995 a person who has attained the age of 23 or a head of household and was not claimed as a dependent on any other person's tax return for the base year is eligible by statutes for this program if they meet income requirements. However, the state has never provided funding for this portion of the program. Applicants must return a completed application to their county treasurer on or before 1 June, or, if the treasurer has extended the filing deadline, on or before September 30th. The Director of Revenue may extend the filing deadline through December 31st, for good cause. |
| Kansas | Homestead Property Tax Refund (Circuit Breaker) | Benefit Varies with Income | Claimants receive a refund of property taxes up to $700. The percent of the credit is dependent on income for which there are 22 income brackets.<br>The lowest bracket, those with an annual income of $6,000 or less, receives a 100% refund of taxes paid.<br>The highest income bracket, those with an annual income of $26,001 to $40,500 receive a 5% refund of taxes paid, up to $700 of taxes for a maximum refund of $35. | Credit to the income tax bill | Eligibility is limited to the applicant's place of residence. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Veteran, Surviving Spouse, Other Criteria | To qualify for the first type of benefit, claimants must be 55 years old for the entire tax year to claim the credit. Others eligibility criteria include those who are totally and permanently disabled or blind, a veteran with a disability of 50% or more, a surviving spouse of a disabled veteran or a member of the active duty military who died in the line of fire, or a person with one or more dependent children under the age of 18. They must own and live on the property in Kansas for the entire year.<br>For filing for refund in 2024, 2023 income, excluding 50% of social security benefits, must be $40,500 or less and the property valued cannot exceed $350,000. | State reimburses all of the local government tax loss | The state director of accounts and reports issues a voucher to county in which claimant's homestead is located approved by the director of taxation in the amount of the allowable claim for refund. | Claims must be submitted between 1 January and 15 April.<br>A description of income is detailed in the Homestead or Property Tax Refund for Homeowners publication from the Kansas Department of Revenue. It clearly defines what sources of income to include as income and what is not included as total household income.<br>Senior homeowners who qualify for the property tax relief program cannot also apply for the homestead refund.<br>This program is not available to renters. |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| Massachusetts | Real Estate Tax Credit for Persons Age 65 and Older (Circuit Breaker Credit) | Benefit Varies with Income, Benefit Varies with Taxes Due, Minimum Tax Amount Must be Paid | The benefit is a refundable credit to the income tax bill equal to the amount by which real estate tax payments (or rent constituting tax) exceeds 10% of income.<br>The maximum credit paid based on tax year 2023 income and paid in 2024 is $2,900.<br>Rent constituting real estate tax for renters is 25% of rent paid. | Credit to the income tax bill | Only residential property is eligible for this program. | Age, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Renter, Other Criteria | The applicant must be 65 years old by 31 December of the tax year, and must be a full or part-year resident of the state. The applicant must occupy property in Massachusetts as their primary residence. Applicants may not be dependents of other taxpayers.<br>For homeowners, Massachusetts property tax payments together with half of the applicant's water and sewer expenses must exceed 10% of total income for the tax year. If the applicant is a renter, 25% of the applicant's rent must exceed 10% of their income.<br>For tax year 2023 with benefit paid in 2024, the taxpayer's "total income" cannot exceed $69,000 for a single individual who is not the head of a household, $86,000 for a head of household, and $103,000 for married couples filing a joint return. The assessed value of the residence, before exemptions but after abatements, cannot exceed $1,025,000.<br>No credit may be provided to individuals if the state or federal government is subsidizing the claimant's rent through a rental assistance program. | State reimburses all of the local government tax loss | The state directly disburses benefits through a state refundable income tax credit. | Maximum benefit and income levels are annually adjusted based on the Consumer Price Index. Wealth limits are annually adjusted based on the average assessed value of homes in the state since 2004.<br>Real estate taxes include taxes levied on the taxpayer's residence including any water and sewer debt charges. In communities not assessing water and sewer charges, 50% of water and sewer charges paid by the taxpayer is added to the amount of real estate taxes paid. Rent constituting real estate tax payments is calculated as 25% of total rent paid.<br>The Circuit Breaker Credit does not prohibit the applicant from taking another exemption, deferral or abatement on their property taxes, however, any amount received from such an exemption or abatement, including the senior property tax work-off program, will be counted against the amount of taxes paid for purposes of determining eligibility and the amount of the credit.<br>Applications for the Circuit Breaker Credit must be filed annually after filing a Massachusetts State Income Tax Return. The form (Schedule CB) must be completed within 3 years from the last day for filing the return. |
| Michigan | Homestead Property Tax for Seniors and Disabled (Circuit Breaker)Note: *MI also has a general program.* | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The benefit is a refundable income tax credit for senior and disabled homeowners and renters. The maximum credit for filing in 2024 is $1,700. The credit is normally 60% of the amount that property taxes exceed 3.2% of household income, but the benefit may be greater for qualified seniors and persons with disabilities.For seniors with income up to $21,000 annually, the credit is 100% of the amount above the 3.2% threshold. For those with income between $21,000 and $30,000 each extra $1,000 of income reduces the amount by 4 percentage points until it is the standard 60%.For senior and disabled applicants with incomes of $6,000 or less, the threshold of 3.2% is reduced. The threshold | Credit to the income tax bill | Only residential properties are eligible for this program. Each claimant can only have one homestead which they must occupy. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Renter, Surviving Spouse | To qualify for the senior homestead credit, applicants must be 65 years or older by 31 December in the year prior to filing, or be the unremarried spouse of a Michigan resident who was 65 years or older at their time of death.To qualify for benefits as a disabled person, the applicant must be paraplegic, hemiplegic, quadriplegic, totally and permanently disabled, deaf, or blind.Taxable value of the property cannot exceed $154,400 for filing in 2024.Claimant must have resided in Michigan for at least 6 months of the immediately preceding year in which the credit will apply. An applicant's household resources cannot exceed | State reimburses all of the local government tax loss | The state provides the benefit directly to the taxpayer. | An alternative credit is available to senior citizen renters. The credit is the amount that their rent exceeds 40% of their income, up to $1,600. They are eligible for either the Homestead or alternative credit whichever is greater. |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | level is 3.0% for both seniors and disabled with incomes between $5,001 and $6,000. The threshold level is further reduced by 1% for each $1,000 of income below $5,000. With incomes less than $3,000 the threshold is 0% and the credit is for all property taxes. | | | | $67,300 for filing in 2024.Total household resources include all income (taxable and nontaxable) received by all adult household members during the year, including income that might be exempt from federal adjusted gross income. Net losses from business activity may not be used to reduce total household resources. For claimants receiving assistance from the Department of Human Services, credit will be reduced by the percentage assistance is to total household resources. | | | |
| Missouri | Property Tax Credit Claim (Circuit Breaker) | Benefit Varies with Income, Benefit Varies with Taxes Due | The benefit is a refundable income tax credit that varies with both income and property tax paid (or rent equivalent).<br>The maximum benefit is $750 for renters and $1,100 for homeowners. Claimants with income below $14,300 are eligible for the maximum benefit.<br>For claimants with income above $14,300, the benefit decreases 1/16th percent for each $300 increase in income and for every $25 decrease in property tax paid (or rent equivalent).<br>Rent constituting property taxes is calculated at 20% of the gross rent paid by a claimant and spouse in the calendar year. | Credit to the income tax bill | Only homesteads are eligible for this tax benefit. The homestead is the dwelling owned or rented by the claimant and up 5 acres of land surrounding. It may consist of part of a multi-dwelling or multipurpose building and part of the land upon which it is built. Mobile homes may be eligible for this benefit. | Age, Disability, Homeowner, Income Ceiling, Renter, Veteran, Surviving Spouse, Other Criteria | The claimant or their spouse must be a resident of Missouri for the entire calendar year and (a) at least 65 years old on or before the last day of the calendar year; (b) a veteran of any branch of the armed forces of the United States or the state who became 100% disabled as a result of such service; (c) 100% disabled; or (d) have reached the age of 60 on or before the last day of the calendar year and received surviving spouse Social Security benefits during the calendar year.<br>For renters/part-year owners, total household income must be $27,200 or less for single filers, or $29,200 or less for married filers.<br>For claimants that owned and occupied the homestead for the entire year, total household income must be $30,000 or less for single filers, or $34,000 or less for married filers.<br>Income eligibility is based on the prior year's income. | State reimburses all of the local government tax loss | Benefit is distributed by state through income tax bill. | Income is defined as Missouri adjusted income and increased to reflect the following: social security and railroad retirement; veteran payments and benefits unless the claimant or spouse is a 100% disabled as a result of military service; all other public and private pensions and annuities; public relief, public assistance, and unemployment benefits received; SSI, TANF and/or child support payments received; non-business losses; wages, dividends, and interest; and rental income. Homeowner applicants may reduce income by $2,000, and by an additional $4,000 for the applicant's spouse residing at the same address.<br>“Disabled” is defined as the inability to engage in any substantial gainful activity by reason of any physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of at least one year. A claimant is not required to be employed prior to such disability to qualify.<br>Applicants must apply annually for the benefit using form MO-PTC by the due date for the federal income tax return. Certain filers must use form MO-PTS. |
| Montana | Disabled Veterans and Surviving Spouse Exemption (Circuit Breaker) | Benefit Varies with Income | The Montana Disabled Veteran Assistance Program (MDV) is a benefit determined by a sliding scale of reduction in property taxes across 4 brackets of income. Each bracket indicates the percentage by which the | Credit to the income tax bill | Only residential property is eligible for this program. If the property is on forest land or agricultural land, only one | Disability, Homeowner, Income Ceiling, Principal | The applicant must own the property and use it as their primary residence, meaning that they lived in the property for at least 7 months of the year and it is the only residence for which they are applying for | State reimburses all of the local | The state directly administers benefits as an income tax credit. | Effective 01 January 2024: The income limit base amounts are increased by statute. In subsequent years they will continue to be increased by inflation. This change |

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| | Note: *MT also has a general program.* | | applicant's property tax rate is reduced. Property tax rates can be reduced by 50%, 70%, 80%, or 100%, depending on the applicant's income level. | | acre is covered under this benefit. | Residence, Veteran, Surviving Spouse | tax relief.<br><br>This program is for disabled veterans and surviving spouses of veterans killed while on active duty or as a result of their disability status. All original recipients must have been rated 100% disabled at the time of their death. The veteran must be 100% disabled or paid at the 100% disabled rate by the United States Department of Veterans Affairs (VA). The surviving spouse must have documentation from the VA stating that the deceased veteran was 100% disabled at the time of death.<br><br>For applicants in tax year 2024, single filers must have a 2022 income of $59,554 or less, and for head of household and married applicants the limit is $68,705. The limit for surviving spouses' is $51,911. Qualifying income means the federal adjusted gross income excluding capital and income losses. Income schedules are adjusted annually using the PCE inflation factor.  If the adjustment results in a decrease in qualifying income levels from the previous year, the qualifying income levels must remain the same for that year. | government tax loss | | is pursuant to 2023 Mont. Laws ch. 583 (HB189).<br><br>Income, or qualifying income, is the applicant's federal adjusted gross income excluding capital and income losses as calculated on the Montana income tax return for the second prior year.<br>If your only income is from social security, veterans' benefits and/or other nontaxable sources, include a copy of your social security statement and other income documentation with your completed application.<br>If you are a new Montana resident, include a copy of your federal income tax return with your completed application. In subsequent years the state will determine eligibility through the state's annual verification process.<br>Application must be filed by 15 April for the first year in which the applicant is applying for assistance. Annual reapplication is not required. |
| Montana | Elderly Homeowner/Renter Credit (Circuit Breaker)Note: MT also has a general program. | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The program provides a refundable credit for qualifying individuals for a portion of their property taxes or rent paid.Rent-equivalent property taxes are assumed to be 15% of rent payments. The maximum credit granted may not exceed $1,150. The amount of the credit is the amount of tax or rent-equivalent tax, minus a percentage of the claimant's household income (household income is gross household income minus $12,600). There are 12 brackets for the income-based credit reduction, ranging from 0% for those with income below $2,000, to 5% for those with income $12,000 and over. For claimants with incomes greater than $35,000, the credit is further reduced by 10 to 40%, based on the claimant's gross household income, with 4 income brackets.No credit is available for those with gross household income $45,000 or more. | Credit to the income tax bill | Only residential property is eligible for this program. Up to one acre of property can be included. | Age, Homeowner, Income Ceiling, Renter | This program is for homeowners and renters age 62 and older during the claim period for which the benefit is sought. They must have lived in Montana for at least 9 months and at least 6 months as a owner or renter.The gross household income for all household members must be less than $45,000.Gross household income is all income received, taxable and nontaxable, by all individuals who live in the household. This includes, but is not limited to, the income of adult children and unrelated individuals living in the residence and includes the following forms of income: social security, pension and annuity income, and disability benefits (including SSI payments, veteran's disability and workers' compensation). | State reimburses all of the local government tax loss | The state provides a refundable income tax credit. | |
| Nebraska | Homestead Exemption for | Benefit Varies with Income, | The benefit is a full or partial exemption of taxable property value. The size of the | Exemption from | Residential property is eligible, including mobile | Age, Homeowner, | Eligible claimants must be 65 or older and own and occupy the homestead | State reimburses | State reimburses counties and | Household income means the total federal adjusted gross income |

Circuit Breaker Programs (2024) – Eligibility criteria other than income

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | Senior Citizens (Circuit Breaker) | Benefit Varies with Property Value | exemption is determined by 10 income brackets.<br>For the 2024 benefit (based on 2023 income), those with income below $41,000.99 (married) and $34,900.99 (single) are entitled to 100% of the "maximum exempt amount." The highest income bracket exempts 10% of the maximum exempt amount for those with income between $58,701 and $60,900.99 (married) or $49,401 and $53,100.99 (single). Income requirements are adjusted annually based on the consumer price index. | assessed value | homes. Up to one acre of land on which the residence is situated is eligible. | Income Ceiling, Principal Residence, Property Value Limit | between January 1 and August 15.<br>2023 income for filing in 2024 must be less than $60,901 (married) or $51,301 (single). Income requirements are adjusted annually based on the consumer price index.<br>The exempt value of the homestead considered for relief will be reduced by 10% for every $2,500 in which it exceeds the greater of $95,000 or 200% of the average assessed value of single family residential property in the county. If the assessed value exceeds the maximum value by $20,000 or more, the homestead is not eligible for exemption. | all of the local government tax loss | other governmental subdivisions for taxes lost. | (AGI) and Nebraska adjustments including railroad or retirement benefits which are excluded in the computation of the AGI.<br>Forms must be filed with the county assessor between February 1 and June 30. An income statement must be filed with the application. |
| Nebraska | Homestead Exemption for Disabled Citizens and Veterans (Circuit Breaker) | Benefit Varies with Income, Benefit Varies with Property Value, Other Variation in Receipt of Benefits | The benefit is a property tax exemption based on applicant's income and a percentage of the maximum exempt amount. The maximum exempt amount is the greater of 120% of the average assessed value of a single-family home in the claimant's county or $50,000. The maximum exempt amount may not exceed the taxable value of the homestead. The percent of exemption is determined by 10 brackets. For the 2024 benefit (based on 2023 income), those with income below $45,000.99 (married) or $39,300.99 (single) receive 100% of the maximum exemption. Those with income between $62,701 and $64,900.99 (married) or $53,901 and $56,700.99 (single) constitute the highest income bracket and qualify for 10% of the maximum amount. Income requirements are adjusted annually based on the consumer price index. | Exemption from assessed value | Residential property is eligible, including mobile homes. Up to one acre of land on which the residence is situated is eligible. | Disability, Homeowner, Income Ceiling, Principal Residence, Property Value Limit, Veteran, Surviving Spouse, Other Criteria | An applicant must own and occupy the homestead between January 1 and August 15.<br>The maximum assessed value on the homestead is the greater of $110,000 or 225% of the average assessed value of single family residential property in the county. Homesteads exceeding the maximum assessed value may still be eligible, but the exemption is reduced by 10% for every $2,500 that the assessed value exceeds the maximum value. Homesteads that are $20,000 or more over the maximum are not eligible for this program.<br>An applicant must be a veteran or a person with a permanent disability.<br>To qualify as a veteran, an applicant must be honorably discharged and permanently and totally disabled by non-service related accidents or illnesses, or drawing compensation for the U.S. Department of Veterans Affairs because of 100% permanent disability. Veterans with a 100% service-connected disability only qualify if their disability is permanent or if they are not eligible for total exemption as a paraplegic or multiple amputee.<br>Veteran applicants must not be eligible to receive the Homestead Exemption for Paraplegic Veterans and Multiple Amputees. Unremarried surviving spouses of such veterans, and surviving spouses who remarried after attaining the age of 57 are eligible.<br>To qualify as a person with a disability, an applicant must have a permanent physical disability and have lost all mobility so as to preclude locomotion | State reimburses all of the local government tax loss | State reimburses counties and other governmental subdivisions for taxes lost. | Veterans with a 100% service-connected disability only qualify if their disability is permanent or if they are not eligible for total exemption as a paraplegic or multiple amputee. Previously, the statute did not make a distinction between permanent and temporary disability. Reapplication is required every year or, for 100% permanently disabled veterans, every year that is evenly divisible by 5, whereas previously reapplication was not required. These changes are pursuant to 2023 Neb. Laws LB727.<br><br>Applications must be filed with county assessor after February 1 and before June 30. Annual reapplication is required every year or every year evenly divisible by 5 for 100% permanently disabled veterans. Applicants may file a late application before July 20th if the county has approved late applications. Only those who had a spouse die during the tax year or who have a documented medical condition impairing their ability to apply on time by file a late application. |

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| | | | | | | | without the use of a mechanical aid or prostheses, and must have undergone amputation of both arms above the elbow, or who have a permanent partial disability of both arms in excess of 75% also qualify for this exemption. | | | |
| New Mexico | Property Tax Rebate for Elderly with Local Option (Circuit Breaker) | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The benefit is a refundable credit to the income tax bill for the amount by which the applicant's property tax liability exceeds the maximum amount of their income bracket. Maximum liability ranges from $20, for income below $1,000, to $180, for income between $15,000 to $16,000. The tax rebate shall not exceed $350 per return. Counties may provide more generous rebates, as Los Alamos and Santa Fe counties have done. Claimants in these counties with income up to $25,000 are eligible for up to a $300 credit, available for those with income between $24,000 and $25,000. Renters may also qualify with property taxes considered to be 6% of rent. | Credit to the income tax bill | Only principal residences are eligible. Principal residence means the resident's dwelling, whether owned or rented, and up to 5 acres of surrounding land, as is reasonably necessary for use of the dwelling as a home. It may consist of a part of a multi– dwelling or a multi–purpose building and a part of the land upon which it is built. | Age, Homeowner, Income Ceiling, Principal Residence, Renter, Other Criteria | The claimant must be at least 65 years old and file a New Mexico income tax return. Their modified gross income must be less than $16,000 if they reside in a county without a local ordinance. For counties with local ordinance, the income ceiling is $16,000. Renters may qualify for this benefit if they rent a principal place of residence from another person and meet all other qualifications. For Los Alamos, Santa Fe and Dona Ana Counties the income level is $24,000. No claim for the tax rebate shall be allowed to a resident who was an inmate of a public institution for more than 6 months during the taxable year or who was not physically present in New Mexico for at least 6 months during the taxable year for which the tax rebate could be claimed. | State and local government share the local tax loss | The benefit is distributed by the state through the income tax. However, counties must reimburse the state for the cost of the additional benefit if they adopt resolution to provide this benefit. The department shall determine the additional amounts paid to taxpayers of the county for each taxable year and shall bill the county for the amount at the time and in the manner determined by the department. If the county fails to pay any bill within 30 days, the department may deduct the amount due from any amount to be transferred or distributed to the county by the state, other than debt interceptions. | Los Alamos, Doña Ana, and Santa Fe counties have adopted a maximum income eligibility level of $24,000. |
| North Carolina | Homestead Circuit Breaker Tax *Deferral* for Senior or Disabled Citizens | Benefit Varies with Income | The benefit limits taxes to a percentage of income. The deferred taxes create a lien on the property. For tax year 2024, applicants with income below the eligible level ($36,700) may defer taxes in excess of 4% of their income. Those with income between 100% and 150% ($55,050) of the eligible | Other | Only residential property and up to one acre of land on which the residence is located are eligible for the relief. Residential property can include a single-family residence, a | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Other Criteria | Qualifying homeowners must be North Carolina residents, own and occupy the homestead as their principal residence for at least 5 consecutive years, and be at least 65 years of age or have a total and permanent disability. If the property has multiple owners who are not married, all | Local government covers all of its tax loss | The statute is silent regarding whether the state reimburses local governments for any tax loss. | An owner who receives this benefit may not receive other property tax relief. An otherwise qualified owner does not lose the benefit due to a temporary absence from their residence for medical reasons or if confined to a rest |

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| | | | level may defer taxes in excess of 5% of their income.The deferred taxes of the previous three years are due and payable if the property is no longer the permanent residence of either the owner, co-owners, or spouse. | | unit in a multi-dwelling complex, or a manufactured home. | | owners must qualify and elect to defer the taxes.For 2024, the income eligibility limit for the highest benefit is $36,700. Applicants must have income less than 150% ($55,000) of the income eligibility limit. The limit is adjusted annually by the percentage change in the cost-of-living adjustment to Social Security. If an applicant ceases to be eligible for the program, the deferred taxes from the previous three years are due and payable. | | | home or nursing home. During this period, the residence must be unoccupied or occupied by the owner's spouse or other dependent. If the owner is not eligible for a continued deferral for a tax year, the deferred taxes are carried forward. If the owner transfers the property, dies, or ceases to use the property as a permanent residence, the last three years of deferred taxes prior to a disqualifying event are due and payable with interest on the date of the disqualifying event.To receive the benefit, an application must be submitted by June 1st of the year prior to receiving the benefit. The application must be filed every year. |
| North Dakota | Homestead Credit (Senior Citizen Homeowner and Renter Credit) | Benefit Varies with Income | Residents are eligible for an exemption of taxable value for their homestead that varies by income.<br>Those with income below $40,000 qualify for the full exemption, up to $9,000 of taxable value ($200,000 of true and full value).<br>Those with income between $40,001 and $70,000 qualify for 50% of the exemption, up to $4,500 of taxable value ($100,000 of true and full value).<br>If ownership of the property is shared, the exemption is prorated by the applicant's percent ownership in the property.<br>Renters are eligible for a rent refund for the amount that 20% of their annual rent exceeds 4% of their income, not to exceed a refund value of $400.<br>The benefit does not apply to special assessments, however special assessments may be deferred through the homestead special assessment deferral program. | Other | Only residential property is eligible for this program. Mobile homes are also eligible for the benefit.<br>Rent refunds are not available for rent or fees paid by persons living in properties that are exempt from property tax, such as nursing homes. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Renter | Applicants must live in the residence and be invested in the property.<br>They must be 65 years or older, or be totally or permanently disabled.<br>Only one member of a married couple may apply for the benefit.<br>Income may not exceed $70,000.<br>If the applicant is not living in the residence because of illness, they retain eligibility unless the property is rented to another person. | State reimburses all of the local government tax loss | The county treasurer receives payment from the state treasurer, and then distributes the money to the local taxing districts of the county. Refunds for renters is paid from the state general fund. | Note that $9,000 of taxable value is equal to $200,000 of true and full value because of North Dakota's 50% assessment ratio and 9% classification ratio for residential property.<br>Rent is exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord.<br>Taxable value for residential property is calculated as 4.5% of market value based on all properties being assessed at 50% of market value and residential properties further taxed at 9% of assessed value.<br>Income does not include gifts, inheritances, life insurance proceeds, social security lump sum death payments, insurance payments, federal fuel assistance, renter's refund payments, food stamps, veteran's disability payments, payments for foster care, Retired Senior Volunteer Program payments, Senior Companion Program, Vista Program, and medical expenses paid during the year if not reimbursed.<br>Persons who reside together in a |

## Circuit Breaker Programs (2024) – Eligibility criteria other than income

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| | | | | | | | | | | rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person. Applications are due before February 1 in the year in which the property is assessed and for which the credit is requested. |
| Oklahoma | Oklahoma Claim For Credit or Refund of Property Taxes (Circuit Breaker) | Benefit Varies with Income, Minimum Tax Amount Must be Paid | The credit refunds property taxes in excess of 1% of income if gross income is $12,000 or less. The maximum benefit is $200. The benefit is disbursed as an income tax credit or as a direct rebate if the claimant is not required to file an income tax return. | Credit to the income tax bill | Only residential property is eligible for this program. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse | Claimant must be head of the household who is 65 years or older or totally disabled. Eligibility is restricted to homeowners age 65 and older, or who are totally disabled for the entire year. The eligible person must be the head of household and must have lived in the state during the entire preceding year. The gross household income ceiling is $12,000 for the year prior to the year in which the application is filed. Surviving spouses are eligible for the claim. | State reimburses all of the local government tax loss | The state disburses the benefit directly to the claimant as a credit on state income taxes. If the claimant is not required to file a state income tax return, a separate form can be filed to request a refund. | The term disabled person for purposes of this benefit is someone who is unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment which is expected to last for a continuous period of 12 months or longer. Applications must be filed annually by 30 June of the year in which the credit is sought. Income includes gross amount of income from every type received by all persons occupying the residence whether taxable or not taxable. |
| Pennsylvania | Rebate and Circuit Breaker for Seniors or Disabled Persons (PTRR Program) | Benefit Varies with Income | For homeowners and renters, the benefit is a rebate applied to all property taxes determined by 4 brackets ranging from $1,000 if income in the previous year is up to $8,000, to $380 if income is $18,001 to $45,000.<br><br>For senior households in Philadelphia, Pittsburgh and Scranton with income under $30,000, the program provides a supplement of 50% rebates.<br><br>In other areas of the state, for senior homeowners with household income under $30,000 who pay more than 15% of income in property taxes, the rebate is increased 50%. Maximum rebates are $570 to $1,000.<br><br>The maximum benefit cannot exceed property tax liability for homeowners or 20% of total rent paid. | Direct payment to taxpayer | Only residential property is eligible for this program. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Renter, Surviving Spouse | Claimants must be at least 65 years old, surviving spouses must be at least 50 years old. Disabled persons over age 18 or over are also eligible. The income ceiling is $45,000 for homeowners and renters, with future limits adjusted for the cost of living. These income requirements apply for the year prior to the year in which the application is filed. In calculating income, applicants may exclude 50% of social security income for the year. Federal Veterans Disability Payments, and state veterans benefits including service-connected compensation or benefits of any kind provided to a veteran or an unmarried surviving spouse of a veteran by a state agency are not included when calculating income for this benefit. Annual applications must be filed with the state by 30 June in order to qualify for the rebate. First time applicants must include certain proof documents with their first application to verify eligibility. | State reimburses all of the local government tax loss | The state disburses benefits directly to taxpayers. The funding for this program is dependent, in part, upon gaming revenue. | Effective for tax year 2024, providing relief for the property taxes and rent paid in 2023, the program was expanded to include higher income for homeowners and renters and increased the rebate. In addition, the income thresholds and benefits will be adjusted annually, based on CPI. This was enacted in Act 7 (HB 1100).<br><br>This program is also available to deceased PA residents, provided they lived at least 1 day in the year for which the benefit is applied. The benefit will be prorated by the number of days the applicant lived in the commonwealth. A surviving spouse, estate, or personal representative of the deceased resident may file on their behalf. |
| Rhode Island | Property Tax Relief for Elderly | Benefit Varies with Income, Minimum Tax | This program provides a refundable tax credit to eligible homeowners and renters. The credit is based on property taxes in excess of | Credit to the income tax bill | Only residential property is eligible for this program. | Age, Disability, Homeowner, | Applicant must be 65 years or older and/or disabled. Eligible renters must have rented the home for the entire year. | State reimburses all of the | The state makes the payment to the taxpayer. | |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | and Disabled (Circuit Breaker) | Amount Must be Paid | income. The maximum property tax relief credit is $650 for 2024 and adjusted annually based on the consumer price index for all urban consumers.There are 5 income brackets for all filers. For those with income less than $6,496 the credit is the taxes in excess of 3% of income. For those in the top bracket, $61,231 to $37,870, the credit is the taxes in excess of 6% of income. For renters, property taxes are assumed to be 20% of gross rent, excluding utilities. Applications must be filed by 15 April in order to qualify for a credit in that year. | | | Income Ceiling, Renter | To be eligible for the disability requirement an individual must be receiving a social security disability benefit or Supplemental Security Income (SSI) payments. Only one claimant per household per year may qualify for relief.Total household income may not exceed $37,870. Income is adjusted annually based on CPI-U | local government tax loss | | |
| South Dakota | Sales and Property Tax Refund for Senior and Disabled Citizens (Circuit Breaker) | Benefit Varies with Income, Other Variation in Receipt of Benefits | The benefit is a refund for sales or property taxes. The benefit is determined according to a sliding scale of relief. In determining income level, income may be reduced for property taxes paid, up to $400. There is no limit on benefits, but benefits may be pro-rated if the appropriation is not sufficient.<br>For single households, there are 25 brackets with refunds ranging from 35% of taxes paid to 11% based on income thresholds.<br>For multi-member households, relief is determined by 19 brackets with refunds ranging from 55% of taxes paid to 19% based on income thresholds. | Direct payment to taxpayer | The portion of the property eligible for the refund includes the house, condominium, apartment, or manufactured home which is taxed as a separate unit included the lot on which it is located or one acre of surrounding land (whichever is less), and the garage whether attached or unattached. | Age, Disability, Homeowner, Income Ceiling, Principal Residence, Veteran, Other Criteria | The claimant must be a head of household who has been a South Dakota resident for the entire previous year with an annual income not exceeding the ceiling on the income schedule.<br>The claimant must have owned the property for at least 3 years or have been resident of the State of South Dakota for at least 5 years. The applicant must own and occupy the property as their primary residence.<br>The claimant must be 65 years of age or older, or must be disabled prior to January 1st of the year in which the tax is levied.<br>For the 2023 benefit (filed in 2024), 2023 income may not exceed $16,038 for a single-member household or $21,692 for a multi-member household.<br>Income levels are identified in the annual legislation that established the appropriation.<br>Disabled claimants are those qualified to receive Social Security Disability benefits, Supplemental Security Disability benefits, or are veterans with a rated disability of 60% or higher.<br>Disability must be verified annually upon applying for the benefit by sending a copy of the applicant's Medicare card or social security certificate of award. | State reimburses all of the local government tax loss | The program is funded through an annual appropriation from the South Dakota Legislature. Benefits may be pro-rated if too little money is appropriated for the program. The state disburses benefits directly to the claimant. | Applications for refunds on the prior year's taxes must be filed annually between 1 May and 1 July in each year the applicant qualifies. |
| South Dakota | Property Tax Reduction for Paraplegics (Circuit Breaker) | Benefit Varies with Income | The benefit is an exemption of a portion of the property taxes owed by a paraplegic person, or the unremarried widow or widower of such a person. The extent of the exemption is based on prior year household income. For applications in 2024, based on 2023 income, the full exemption (100%) is available for household incomes less than $15,218 (single) or $20,110 (married) and no exemption is | Credit to the property tax bill | Eligible property includes all dwellings or parts of multiple family dwellings which are specifically designed for use by paraplegics as wheelchair homes and up to a maximum of 1 acre of property surrounding the | Disability, Homeowner, Income Ceiling, Principal Residence, Surviving Spouse | The property must be owned and occupied by a paraplegic or individual with the loss of use of both lower extremities, or the widow/widower of such paraplegic who has not remarried.<br>For applications in 2024, prior year (2023) household income cannot exceed $19,566 for a single-member household, or $23,914 for a multiple-member | Local government covers all of its tax loss | | Effective 01 January 2024: The income limits are annually adjusted based on the consumer price index. This change is pursuant to 2023 S.D. Sess. Laws ch. 29 § 14 (SB26).<br><br>The definition of household income is federal adjusted gross |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | available for household incomes greater than $19,566 (single) or $23,914 (married). The income limits are annually adjusted based on the consumer price index. | | primary dwelling. The property subject to the application must be specifically designed for wheelchair use within the structure. | | household. The income limits are annually adjusted based on the consumer price index. | | | income, plus any income not included in that figure, including Social Security.<br>Applications must be filed annually by April 1st with the county assessor of the county where the property is located. |
| Utah | Property Tax Circuit Breaker | Benefit Varies with Income | The homeowner credit is determined according to seven brackets based on income. The maximum abatement based on income is $1,259 plus an additional credit equal to the tax on 20 % of a home's fair market value.<br><br>For renters, the value of the credit declines from 9.5% of rent to 2.5% of rent as income rises.<br>The benefit is disbursed as a property tax credit for homeowners and as a direct rebate for renters.<br>For purposes of calculating gross rent when a claimant's rent includes electricity or natural gas and the utility amount is not itemized, the commission shall deduct 7% of rent if the rent includes electricity or natural gas but not both; or 13% if the rent includes both electricity and natural gas. | Credit to the property tax bill | Only residential property is eligible for this program. | Age, Homeowner, Income Ceiling, Renter, Surviving Spouse, Other Criteria | Homeowners, mobile homeowners and renters must have 2023 income that is less than $40,840 to qualify for the 2024 benefit.<br>The applicant must own the property for the full calendar year for which the benefit is claimed.<br>Applicants must be 66 or older as of December 31st of the year for which you are applying.<br>Surviving spouses of any age are also eligible if they meet all of the other program requirements and were a part of the same household as the original claimant at the time of their death. The surviving spouse must not remarry.<br>Individuals who are a dependent or claimed as a personal exemption on another individual's income tax return may not receive the homeowner's or renter's credit. | State and local government share the local tax loss | For renters, the applicant files directly with the State Tax Commission and it mails a payment directly to the applicant. For homeowners, the applicant files with the county. The state reimburses the county for the credit based on income; the county funds the credit based on market value. | According to the state's web site the applications are available May 1.<br>The renter's credit may be claimed only for rent that does not constitute a "rental assistance payment".<br>For homeowners, the application must be filed annually with the county by September 1. For renters, the Taxpayer Access Point (TAP) System for application submission is open from mid-April through 31 December annually. This is the fastest way to process a refund. All applications must be submitted before December 31 and can be submitted by mail, by fax, or in person. |
| Washington | Property Tax Exemption for Widow or Widowers of Veterans (Circuit Breaker) | Benefit Varies with Income | This program works in conjunction with the Property Tax Exemption Program for Senior Citizens and Disabled Persons. The exemption under this program is calculated after the Exemption Program, even if that exemption is not claimed.<br><br>The benefit is an exemption equal to the regular and excess property taxes imposed on the difference between the value of the residence eligible for exemption under the Exemption Program and $100,000 for those with income less than $30,000; $75,000 for those with income between $30,001 and $35,000; and $50,000 for those with income between $35,001 and $40,000. | Direct payment to taxpayer | Eligibility is limited to the applicant's place of residence. | Age, Income Ceiling, Principal Residence, Surviving Spouse | The claimant must qualify in each of the four categories: must be 62 or older or disabled; unremarried widow or widower of a veteran who died as a result of service connected disability, was 100% disabled due to service 10 years prior to his or her death, was a former POW with 100% disability due to service, or died on active duty; own the primary residence of up to 5 acres of land for more than 9 months a year; and income may not exceed $40,000. The disposable income received during the year before application year determines eligibility.<br><br>Widowers who owns their home through a life estate, lease for life, revocable trust, or shared ownership in a cooperative housing unit do not qualify for this program. | Local government covers all of its tax loss | | This program works in conjunction with the Property Tax Exemption Program for Senior Citizens and Disabled Persons. Applicants should also enroll in the Exemption Program administered by your county assessor. This will provide you the maximum amount of assistance.<br><br>Applications are due by March 31 and late applications are accepted.<br><br>Mobile home may qualify even if the applicant does not own the land. However, this program does not apply if ownership is through a life estate, lease for life, revocable trust, or shared ownership in a cooperative housing unit. |
| Washington | Property Tax Exemption for the Elderly, Disabled or Veterans (Circuit Breaker) | Benefit Varies with Income | The benefit exempts a portion of the value of the taxpayer's property and exempts the taxpayer from excess levies and part 2 of the state school levy. The portion of the applicant's property which is exempt is | Exemption from assessed value | Eligibility is limited to the applicant's place of residence. Any person who sells, transfers, or is displaced from their | Age, Disability, Homeowner, Income Ceiling, Principal | The claimant must be 61 years or older, retired from gainful employment due to disability, or a veteran of the armed forces receiving compensation from the US Department of Veteran Affairs for | Local government covers all of its tax loss | | Effective 01 January 2024: If the income of the person claiming the exemption increases as a result of a cost-of-living adjustment to social security benefits or supplemental |

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | determined by the applicant's qualifying income threshold.Income threshold 1 is the lowest threshold and exempts $60,000 or 60% of assessed taxable value, whichever is greater.Income threshold 2 is the middle threshold and exempts $50,000 or 35% of assessed taxable value, whichever is greater (but not more than $70,000 of the taxable value).Income threshold 3 is the highest threshold and does not exempt any portion of the applicant's property (but the applicant may still receive the exemption from excess levies and part 2 of the state school levy). | | residence may transfer their exemption status to a replacement residence. An applicant can claim the exemption even if they are confined to a hospital, nursing home, assisted living facility, adult family home, or home of a relative for the purpose of long-term care, excluding if the residence is temporarily unoccupied. Applicants are still eligible for the exemption if the residence is occupied by a spouse or a domestic partner or a person financially depended on the applicant for support or the residence is rented for the purpose of paying nursing home, hospital, assisted living facility, or adult family home costs. | Residence, Veteran, Surviving Spouse, Other Criteria | either a combined service-connected evaluation rating of 80% or more or a total disability raring for a service-connected disability. To keep the exemption, the claimant must live in the home for more than 6 months each year. Any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if they are 57 years or older. Income threshold 1 is the greater of $30,000, the prior year's threshold, or 50% of the county median income.Income threshold 2 is the greater of $35,000, the prior year's threshold, or 60% of the county median income.Income threshold 3 is the greater of $40,000, the prior year's threshold, or 70% of the county median income.The Washington State Department of Revenue adjusts the income thresholds every 3 years and publishes the thresholds by county on their website. Beginning in 2023, every time that the income levels are adjusted, if a county's income level is not adjusted due to the county median income, it must be adjusted by the increase of the consumer price index for the prior 12-month period not to exceed 1% or be negative. | | | security income in an amount that would disqualify the applicant from eligibility, the applicant is not disqualified but instead maintains eligibility. The continued eligibility applies only for property taxes levied for collection in calendar year 2024. This change is pursuant to 2023 Wash. Sess. Laws ch. 147 (HB1355).Effective for Tax Year 2024: The income threshold is adjusted every three years and the percent median incomes constituting the income limits for each threshold from 1 to 3 respectively are each increased by 5 percentage points to 50, 60, and 70 percent. The CPI adjustment is performed during every adjustment year, not every other adjustment year. This change is pursuant to 2023 Wash. Sess. Laws ch. 147 (HB1355).Applications and supporting documents for each qualification are due by December 31 of the assessment year. The county assessor may accept late applications.A veteran of the armed forces is entitled to and receiving compensation from the United States department of veterans affairs if they have a combined service-connected evaluation rating of 80% or higher or have a total disability rating for a service-connected disability without regard to evaluation percent. A renewal application is required at least once every 6 years. After initial application and approval, county assessors will notify applicants when it is time to submit a renewal application. Taxpayers may be eligible for a refund if they paid prior years' taxes because of a mistake, oversight, or a lack of knowledge about this program. Taxpayers applying for refunds must have meet all of the qualifications for the exemption as if they had applied at the time the application was due. Separate applications |

Circuit Breaker Programs (2024) – Eligibility criteria other than income

| State (2024) | Program Name | Receipt of Benefit Variations | Benefit | How is Benefit Disbursed? | Eligible Property Type Description | Eligibility Criteria | Eligibility Criteria Description | State Funding for Local Tax Loss | State Funding Description for Tax Loss | Footnotes |
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| | | | | | | | | | | must be submitted for each tax year when applying for a refund. In order to receive a refund, applications must be filed within three years of the date the taxes were due. Refunds will not be made beyond the three years.The exempt status may be transferred to a new residence with the value of the new residence frozen as of 1 January of the year of change. If the resident moves to Washington from another state, the exemption may be transferred to the new residence if owner meets all other eligibility requirements and provides proof of the prior exemption and its cancellation date. Excess levies are those additional property tax levies above the limits that are approved by popular vote. |
| West Virginia | Tax Relief for Elderly Homeowners and Renters (Circuit Breaker)<br><br>Note: *WV also has a income only program.* | Benefit Varies with Income, Minimum Tax Amount Must be Paid | This program grants relief that ranges from 75% of property tax liability for gross household incomes of $500 or less to 30% of the taxes that exceed 4.5% of income for gross household incomes ranging from $4,001 to $5,000. There are 6 brackets. The program identifies rent constituting property taxes as 12% of the gross rent paid for occupancy of the homestead. The maximum taxes considered is $125.<br><br>Because of the low income ceiling, there are few participants. | Direct payment to taxpayer | Residential property, including mobile homes, are eligible. | Age, Homeowner, Income Ceiling, Renter, Surviving Spouse, Other Criteria | Applicants must be at least 65 years of age, have lived in the state in the last year, and have a gross household income below $5,000. Widows and widowers are also eligible. Gross rent is determined based on the total amount of money paid to a landlord solely for the right of occupancy to a homestead. | State reimburses all of the local government tax loss | The state makes a payment directly to the taxpayer. | |

Source: Lincoln Institute of Land Policy and George Washington Institute of Public Policy (2024). *Residential Property Tax Relief Programs*; *Significant Features of the Property Tax*.
https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/residential-property-tax-relief-programs

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**MEMORANDUM**

**TO:** Members, Real Estate Property Tax Relief Task Force

**FROM:** Rachel Olson, Legislative Analyst

**DATE:** September 15, 2026

**RE:** *Property Tax Limits and Property Tax Limit Programs in Florida*

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During the June 30th meeting, the Task Force expressed an interest in learning more about what kinds of property tax relief measures are in place in Florida, with a particular interest in a program in Florida that members said, "freezes property tax assessment." Although Florida does not appear to use an assessment freeze,[1] the State does utilize four types of property tax limits, including two types of assessment limits.[2] The purpose of this memo is to provide an overview of property tax limitation programs in Florida, as well as to provide an overview of tax limitations in general and an overview of tax limitation programs in other states.[3] This memo will also discuss the current and historical use of tax limitations in Maine.

**Residential Property Tax Deferral Programs:**

Property tax limits are a form of direct property tax relief, meaning that the program provides a tax reduction to particular taxpayers. Property tax limits can take more than one form. Most commonly, property tax limits constrain the property tax (mil) rate, assessed values, or overall levy. Limits can also take the form of revenue and expenditure limits. Proponents of property tax limits argue that they are intended to keep property tax bills and the budgets that they support in check. Opponents of property tax limits argue that these programs are overly complicated, can have negative impacts for the services that property taxes support, such as public safety, municipal services and schools, and reduce local control over budget decisions. Most states impose some kind of property tax limit.

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[1] In 2024, 14 states implemented some form of an "assessment freeze" either at the state level or as an optional local level program. These programs apply almost universally to senior citizens and/or disabled persons.

[2] In addition to the tax limits described in this memo, Florida also offers several property tax relief programs targeted towards active-duty military and veterans, persons 65 or older, persons with certain disabilities and others. They also offer homestead exemptions.

[3] Information on general characteristics of state property tax limits and on other state programs is summarized from: Adam H. Langley, Bethany Paquin, and Yonhui Um, *Understanding State Property Tax Limits* (Cambridge, MA: Lincoln Institute of Land Policy, 2025), https://www.lincolninst.edu/publications/policy-downloads/understanding-state-property-tax-limits/

**Property Tax Limits Nationwide:**

*In 2024, 33 states had property tax rate limits.*

Rate limits → Specific rate limits = cap on mil rate for certain types of local governments *(municipality, county, school, etc.)* These usually are set with different rate limits for each of the three main types of local government.

→ Overall rate limits = cap total mil rate of all overlapping local governments

There are some variations in rate limits nationwide. In a few cases, rate limits only apply to one or two of the three main types of local government. A few states allow for different maximum allowable tax rates based on other criteria, such as municipality type, population, or a rate limit based on a historical levy amount. Others rate limit maximums may be determined by using more complex formulas that use inflation and population growth statistics. Some states vary their rate limits by property class. Some states use both specific rate limits and overall rate limits. Commonly, states also exclude certain types of spending from the rate limits, especially amounts used to pay debt service, but some states also exclude spending on things like capital improvements, road maintenance, or court judgements. Additionally, many state established rate limits include the ability for local voters to override the rate limits through a referendum.

*In 2024, 16 states and D.C. had broad assessment limits.*

Assessment limits restrict growth in the assessed value of eligible taxable property. California's Proposition 13 and Florida's Save our Homes program are examples of assessment limits. States vary on what types of property are eligible for assessment limits, with some states including all types of property and others only allowing for residential property or just homesteads. The caps on annual growth also vary by state, with some states setting the cap at 3% or less and others at 10%. Assessment limits can also be enhanced for seniors and/or disabled homeowners (usually with an income threshold) either through a lower cap or an assessment freeze. In most cases, reassessment is triggered either by sale or other transfer of the property or because of new construction or improvements (not a full reassessment).

*In 2024, 28 states impose levy limits.*

Levy limits restrict increases in the overall property tax revenues that local government can collect. These limits are usually tied to a fixed percentage, inflation, or the lesser of the two. Levy limits can be applied to all or a few types of local government and may apply annually or only following jurisdiction-wide reassessments. They also often exclude certain types of taxes, such as taxes to pay debt service or taxes attributable to new construction and improvements and may exclude other tax increases for other specific purposes. Most states allow localities to exceed the cap by voter approval in a local referendum or by vote of the governing body.

*In 2022, 10 states limit local government expenditures or local government revenues or both.*

Revenue and expenditure limits restrict annual growth in a jurisdiction's total revenue, expenditures, or both. Expenditure or revenue limits may be applied to one or more types of local government: municipalities, counties, schools, etc. Like levy limits explained above, certain types of revenue or spending categories may be excluded from those limits. The ability for local government to override these limits is also almost universal.

**Florida – Property Tax Limits:**

In 2024, Florida had four types of property tax limits in place.[4]

1. *County, Municipality, and School District Millage Limitation*[5]
   - Counties, municipalities, and school districts are each limited to 10 mills, excluding debt service, unless a referendum of a majority of voters approves an increase above the limit.
   - All special districts other than water management districts are limited to a millage authorized by the vote of the electors within the district.
   - Any county that provides a municipal service may levy an additional 10 mills.
   - Consolidated cities and counties providing both municipal and county services may levy a millage up to 20 mills, but for each county millage increase above 10 mills resulting from an assumption of city services, there must be a corresponding decrease in municipal millage, or by the county which has services assumed by the city.
   - A majority of voters may authorize an increase in millage for no more than two years.

2. *Maximum Millage Rates*[6]
   - Each taxing authority's millage rate is limited to provide the same property tax revenue as the prior year, not including new construction or property added due to a boundary change. This rate is referred to as the "rolled-back rate." The maximum millage rate a taxing jurisdiction can levy is the prior year's maximum rolled-back rate, adjusted for the change of per capita Florida personal income.
   - A millage rate of no more than 110% of the prior year's maximum rolled-back rate (adjusted for change in per capita Florida personal income) can only be adopted if it is approved by a 2/3 vote of the governing body. A millage rate that exceeds 110% can be adopted if approved by a unanimous vote of the membership of the governing body (or by a 3/4 vote if the board has 9 or more members) or if the rate is approved by a referendum.
   - The change in Florida's per capita income for 2023 is 2.84%, and the maximum millage levy can increase by a factor of 1.0569.[7] [8]

3. *Non-Homestead Property Assessment Limit*[9]
   - For all levies other than school district levies, reassessments for non-homestead properties may not exceed 10% of the assessed value of the property for the prior year. The assessed value cannot exceed the just value; if this occurs, the assessed value shall be lowered to the just value.

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[4] *Significant Features of the Property Tax*. https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/tax-limits-truth-taxation Lincoln Institute of Land Policy and George Washington Institute of Public Policy.
[5] https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/tax-limits-truth-taxation/report?table-filters[region_id][0]=-&table-filters[state_id][0]=10&table-filters[year_id][0]=3&table-filters[limit_type][0]=All&table-sorts[title]=asc&rmodal=rm-4357-state_source
[6] https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/tax-limits-truth-taxation/report?table-filters[region_id][0]=-&table-filters[state_id][0]=10&table-filters[year_id][0]=3&table-filters[limit_type][0]=All&table-sorts[title]=asc&rmodal=rm-4354-state_source
[7] https://apps.lincolninst.edu/uploads/sources/florida/2023/fl-economicresearch-percapincome-2023.pdf
[8] https://apps.lincolninst.edu/uploads/sources/florida/2022/fl-2022-deptofrevenue-maxmillagelevygeneralinfo.pdf
[9] https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/tax-limits-truth-taxation/report?table-filters[region_id][0]=-&table-filters[state_id][0]=10&table-filters[year_id][0]=3&table-filters[limit_type][0]=All&table-sorts[title]=asc&rmodal=rm-4355-title

- Following a change of ownership or control, the 10% assessment limit only applies in successive years after an initial reassessment.
- Changes, additions, or improvements to nonresidential real property are assessed at just value.

4. *Save Our Homes (homestead) Assessment Limits*[10]
   - For properties receiving the homestead exemption, the annual increase in assessed values is limited to the lower of (1) 3% of the property's assessed value of the prior year or (2) the percentage change in the Consumer Price Index. *(For 2024, the increase was 3.4%.)*
   - If the assessed value of the property under this calculation exceeds the just value, the assessed value will be lowered to the just value.
   - This limitation only applies to homestead real property.
   - After any change of ownership, homestead property is assessed at just value. However, the benefit under Save Our Homes is portable to the new property within 3 years.

**Maine and Property Tax Limits:**

Maine is one of the states included in the list of 10 states in 2022 that have revenue or expenditure limits, although the appropriation limitation on municipalities was repealed in 2024 by LD 2102, *An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy* (PL 2023, c. 603) The limitation was first enacted in LD 1 in 2005 (Public Law 2005, c. 2). A similar limitation on counties is still in effect.[11]

At the time of the public hearing before the Joint Standing Committee on State and Local Government, Maine State Economist Amanda Rector, who testified in support of the bill, noted that "Public Law 2005, Chapter 2 (…) … established limits on the growth of General Fund appropriations, county assessments, municipal property tax levies, and local cost share expectations for school districts. The goals were to reduce the tax burden on Maine residents and increase transparency in government budgets" but in that time "no progress was observed in the goal of reducing the tax burden on Maine residents as a result of this statute" and that her "office observed[12] numerous issues related to the municipal property tax levy limit."[13] Her testimony, along with other testimony submitted on the bill, noted the similar provision for county assessments, although a repeal for the county provision was not included in the final enacted law.

[10] https://apps.lincolninst.edu/data/significant-features-property-tax/access-database/tax-limits-truth-taxation/report?table-filters[region_id][0]=-&table-filters[state_id][0]=10&table-filters[year_id][0]=3&table-filters[limit_type][0]=All&table-sorts[title]=asc&rmodal=rm-4356-title
[11] 30-A MRSA §706-A
[12] Until 2017, the State Economist was required to report on the progress made towards these goals and adherence to the requirements of the law.
[13] https://legislature.maine.gov/backend/app/services/getDocument.aspx?doctype=test&documentId=181406

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| AK | Municipal Property Tax Rate Cap | 30 | N/A | N/A | X | | | | | | | 100% | | 1972 | The 30 mill rate limit applies to first class cities. There is a 20 mill rate limit for second class cities. Municipalities are the only type of local government in Alaska. | | | |
| AL | Property Tax Rate Cap | 15 | 7.5 | 10 | See note | | | | X | | | 10% | X | 1875 | Counties may levy 5 mills for general purposes and 2.5 mills for debt service. Municipalities may levy 5 mills for purposes except debt and 10 mills for debt service. School districts must levy 10 mills but can exceed 10 mills with voter approval. The state can levy 6.5 mills. | Debt service is subject to specific limits separate from the general purpose limits. | Jurisdictions may exceed the limit by a simple majority vote of the electorate in a special election. School districts can exceed the 10 mill required tax rate by up to 3 mills with a vote. | |
| AR | Property Tax Rate Cap | 20 | 21 | | X | | | | | | | 20% | X | 1883 | Counties may levy 5 mills for general purposes, 5 mills for bonded indebtedness, 8 mills for library, and 3 mills for roads. Cities may levy 5 mills for general purposes, 5 mills for bonded indebtedness, 8 mills for library, and 1 mill each for police and fire pensions. | Municipalities and counties may each levy an additional 5 mills for debt service | | |
| CO | Taxpayer's Bill of Rights (TABOR) Mill Levy | Other | Other | Other | | | | | X | | | 6.95% | X | 1992 | The mill levy rate is capped at the prior year rate for local government. For school districts, the limit is the lesser of the prior year rate or 27 mills. | | | |
| FL | Millage Limitations | 10 | 10 | 10 | X | | | X | X | | | 100% | X | 1855 | A county providing a municipal service may levy an additional 10 mills in unincorporated areas only. The consolidated government of Jacksonville/Duval County may levy up to 20 mills. | In the event that any municipality should lose revenue through the loss of a proprietary activity or other source of revenue, the governing body of the municipality is authorized to increase the millage in an amount sufficient to restore such revenue loss (SFPT). | | Rate limit for school districts enacted in 1855. County and municipal limits were enacted in 1965. |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| FL | Maximum Millage Rates | Other | Other | | | | | X | X | 2/3 | | 100% | | 2007 | The limit is the rolled back rate (the prior year maximum millage rate adjusted for change in personal income); the limit also applies to dependent and independent special districts and municipal service taxing units. | For certain counties, the revenues required to be contributed to the county public general hospital are excluded from the rate limit. | A 2/3 majority of the governing body may exceed the limit up to 110% of the rolled back rate. To raise the tax rate higher than 110% of the rolled back rate, a voter referendum or a 3/4 supermajority vote of the governing board is required (A unanimous vote is required if the governing board has fewer than 9 members). If a rate above the rolled back rate is adopted, then that rate continues to be the limit in future years until it is exceeded by the rolled back rate. | |
| GA | Georgia School District Rate Cap | | | 20 | X | | | | X | X | | 40% | X | 1945 | The rate limit does not apply to dependent school districts. | | Boards of education can increase or remove the limit after approval by a majority of school district voters. | |
| IA | City Property Tax Rate Cap | 8.1 | | | X | | | | | | | 54.13% | | 1972 | The limit applies to general purpose taxes; other limits apply for specific purposes. The limit for agricultural or horticultural property within municipalities is 3.38 mills. Counties and cities may levy supplemental levy rates for certain services, although legislation adopted in 2023 consolidated many of these supplemental levies into the a general fund levy subject to the caps. | | | Nonresidential property is assessed at 90% of market value. |
| IA | County Property Tax Rate Cap | | 3.5 | | X | | | | X | X | | 54.13% | | 1989 | The limit applies to general county services taxes; the limit for rural county services is 3.95 mills. Counties and cities may levy supplemental levy rates for certain services, although legislation adopted in 2023 consolidated many of these supplemental levies into the a general fund levy subject to the caps. | | A county may levy additional mills with majority approval in a special levy election. The board may certify additions to the basic levy rates for unusual circumstances. | Nonresidential property is assessed at 90% of market value. |
| ID | City Property Tax Rate Cap | 9 | | | X | | | | | | | 100% | | 1967 | The limit applies to general purposes; specific city funds are subject to various limits | | | |
| ID | County Property Tax Rate Cap | | 2.6 | | X | | | | | | | 100% | | 1913 | The limit is 2.6 mills or the rate required to raise $250,000. Limit applies to general purposes; specific county funds are subject to various limits | | | |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| ID | School District Property Tax Rate Cap | | | Varies | X | X | | | X | | | 100% | | 1963 | The State Board of Education sets limits for each school district. | If state equalization funds decrease, school districts may exceed the rate limit for budget stabilization. School districts may also levy up to an additional 6 mils for increased transportation costs due to increasing attendance. | Supplemental M&O levies may be approved for up to two years by a majority vote. | |
| IL | Property Tax Cap Law Rate Limits | Varies | Varies | Varies | X | | | X | X | | | 33.33% | | 1939 | Rate limits vary by type of district, population, and type of levy. Cook County is exempt from the tax rate limit, but is subject to a rate limit for indebtedness. | Home rule governments are excluded from this rate limit, although they are subject to a rate limit on taxes for indebtedness. Municipalities and counties that are not home rule governments are subject to this rate limit, but taxes for indebtedness are excluded. For municipalities with over 500,000 residents, levies for court judgements, pensions, special levies, and other purposes are also excluded. Various levies are excluded such as levies for the general assistance of needy persons. | Many of the fund rate limits are eligible for referendum override | Most limits are set out in statute; the constitution sets out referenda requirements and limits on debt service tax rates for home rule governments; School district and county limits were enacted in 1961 |
| KY | Property Tax Rate Cap | Varies | 5 | 15 | w/Vote | w/Vote | | X | X | | | 100% | X | 1908 | Rate limits for municipalities range from 7.5 mills to 15 mills based on population. | Counties may levy up to 2 additional mills for roads with voter approval. | Cities and counties may levy special ad valorem taxes above the limit with a majority vote. | The school district limit was enacted in 1946 |
| LA | Millage Limits | 7 | 4 | 5 | | | | | X | | | 10% | X | 1974 | The municipal rate limit does not apply to New Orleans. Parish taxes on property within municipalities is limited to half the general purpose tax rate. The Parish mill limit is higher in Jackson Parish (5 mills) and Orleans Parish (7 mills plus up to 10 mills for police and fire protection). The Orleans Parish School Board may levy up to 13 mills. The prevalence of special district levies, some limited and some unlimited, contributed to a statewide average parishwide millage rate of 112 mills in 2022. | | Voters may by majority vote approve additional taxes for elementary and secondary schools for a specific purpose, up to a total of 70 mills for up to 10 years (or 20 years if levied exclusively for capital). | |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| MA | Proposition 2 1/2 Levy Ceiling | 25 | N/A | N/A | w/Vote | | w/Vote | | X | | | 100% | | 1980 | Total property tax revenue cannot exceed 2.5% of total assessed value in a municipality. Municipalities are the only type of local government in Massachusetts. | | | |
| MI | City Charter Rate Limit | 20 | | | X | | | | X | | | 50% | | 1949 | | | | |
| MI | School District Property Tax Rate Cap | | | Other | | | | | | | X | 50% | X | 1994 | School districts millage cannot exceed the limits that were in place as of February 1994. | | Override requires a 3/4th supermajority in the Senate and the House. | This rate limit does not impact homestead or qualified agricultural property, because they are exempt from school operating property taxes. |
| MO | Property Tax Statutory Rate Cap | 10 | 5 | 6.5 | X | | | | 2/3 | | | 19% | X | 1875 | The rate limit for city and town school districts, including St. Louis, is 27.5 mills. The rate limit for first class counties with over $300 million in assessed value is 3.5 mills. | The rate limits for municipalities apply to taxes levied for general municipal purposes; the county rate limit excludes debt service. | Cities and counties can increase the rate for up to 4 years by a 2/3 supermajority vote of the electorate. The requirement to petition for a ballot measure is 1% of voters for St. Louis, 5% for cities, and 10% for counties. | |
| NC | Property Tax Rate Cap | 15 | 15 | N/A | X | X | | | X | | | 100% | | 1973 | School districts in NC are dependent on county, and sometimes municipal, governments. | County taxes for schools, courts, jails, elections, and social services, and city taxes for debt service, deficits, or civil disorders are exempt from the limit. | | |
| ND | Schedule of Levy Limitations (Rate Limit) | 105 | 60 | 70 | X | X | X | | X | | | 4.5% | | 1929 | Townships may levy up to 18 mills. | Cities and school districts may exceed the limit for certain capital expenditures (This exclusions is not available to counties or townships). Schools can levy additional mills for miscellaneous purposes (12 mills), special reserve fund (3 mills), and development of a school safety plan (5 mills). | A school district may exceed the limit for a specific purpose with a majority vote by the electorate for up to 10 years (55% vote required for districts with population under 4,000). With a majority vote of the electorate, cities may exceed the limit by up to 10 mills, and townships may exceed the limit by up to 18 mills for up to 5 years. | For residential property, a 9% assessment ratio is applied to assessed value which is 50 percent of market value. |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| NE | Property Tax Statutory Rate Cap | Varies | 5 | 10.5 | X | X | | | X | | | 100% | | 1957 | The limit for fist class cities is 8.5 mills. The limit for second class cities and villages is 10.5 mills. The limit for incorporated cities and villages is 4.5 mills. Learning communities may levy up to 20 mills for specific purposes. | | Any jurisdiction can exceed the limit for up to 5 years with a majority vote of the electorate. To bring a vote, the jurisdiction must pass a resolution with a 2/3 vote of the governing body or petition signed by 5 percent of registered voters in the county or counties. Villages may exceed the limit for up to one year with a majority vote of voters at a meeting attended by at least 10 percent of voters. | |
| NV | Nevada Municipal Rate Limit | 30 | | | | | | | | | | 35% | | 1929 | The limit is 3% of taxable assessed value with no override or exlusions. | | | |
| OR | Measure 50 Permanent Tax Rates | Varies | Varies | Varies | w/Vote | | | | X | | | 100% | X | 1997 | Permanent tax rates are based on local levies in 1997; these rates cannot be changed. | Non-school jurisdictions can levy general obligations bonds for capital projects with voter approval. | Non-school jurisdictions can levy temporary local option taxes for operations (up to 5 years) or capital spending (up to 10 years) with a double majority (e.g. a majority vote in an election in which a majority of the electorate votes). | |
| PA | Specific Property Tax Rate Caps | Varies | Varies | Varies | X | X | | X | | | X | Varies | | 1949 | Rate limits vary by the size of the political subdivision. County tax rates are limited to 25 mills (Classes 2-8) or 40 mills (Class A). Third class cities, boroughs, and first-class townships are limited to 10 mills. Second class townships are limited to 14 mills. School districts limits are 11 3/4 mills (First Class), 25 mills (Classes 2-4), and 75 mills for independent school distracts with an elected or appointed board. First Class A school districts are not subject to a limit. Philadelphia, Pittsburgh, Scranton, and home rule jurisdictions are not subject to the statutory limits. | School districts may levy additional millage for debt and salaries. | Certain counties (classes 3-8), boroughs, and first-class townships may levy up to 5 mills over the limit to meet an approved budget; the increase must be approved by a court. | County assessment ratios vary and counties may assess at market value or a base year value. The state enacted county rate limits in 1955. |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| SC | Maximum Millage Cap | Other | Other | Other | | | | | | 2/3 | X | 4% | | 1997 | Local governing bodies may not increase the millage rate for general purposes by more than the CPI plus population growth. In the year following reassessment, the rollback rate applies which is the rate that would raise the same revenue as the previous year, adjusted for new improvements. | | Most overrides require a 2/3 vote of the governing body. The one exception is that counties may levy up to .6 mills over the limit for mental health services with a majority vote. | Local Governing Bodies that levy below the limit may carry over unused millage capacity from the last three years to a subsequent year. In the year after a reassessment, the rollback millage must be used, the rate that will generate the same revenue applied to the new property values not including improvements. The limit was amended by Act 388 in 2006. |
| SD | Non-School District Property Tax Rate Cap | 27 | 12 | | | X | X | X | 3/4 | | X | 85% | | 1915 | Townships may levy up to 3 mills. The constitution authorizes the state to levy up to 2 mills. | Townships may levy an additional 1.2 mills for fire protection and emergency medical services. Counties and townships may levy additional millage for road capital improvements and counties may impose various other special levies. Taxes levied to pay for court judgments are not subject to this rate limit. | Counties, municipalities, and townships may levy up to an additional 6 mills with a 3/4ths majority vote. | The constitution limits the rate the state can levy; local limits are in statute. |
| SD | School District Property Tax Rate Cap | | | Varies | | | X | | X | 2/3 | | 85% | | 1995 | In 2022, school districts could levy up to1.409 mills on agricultural property, 3.153 mills on owner-occupied single-family dwellings, and 6.525 mills on all other property. | | The limit may be exceeded either by a 2/3rds vote of the governing body or a majority vote of the electorate (on a question sent to referendum either by 2/3rds vote of the governing body or a petition signed by 5% of registered voters). | |
| TX | Property Tax Rate Cap | 8 | 8 | | | | | w/Vote | X | | | 100% | X | 1876 | The rate limit applies to the general fund, permanent improvement fund, road and bridge fund, and jury fund. | Jurisdictions can levy up to an additional 1.5 mills for road maintenance with a majority vote. | A petition signed by 3% of registered voters is required for a referendum. | |

| Specific Rate Limits (2022) | | Limit | | | Exclusions | | | | Override | | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Muni-cipality | County | School District | Debt Service | Special Levies | Capital Improv. | Other | Referenda | Governing Body | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| TX | Texas School District Property Tax limit | | | Varies | X | | | | X | X | | 100% | | 2019 | The maximum tax rate for school districts was between 9.746 and 10.641 mills in 2022. The Texas school funding formula requires each school district to levy a specific mill rate to receive full state school funding, with the mill rate for each district varying based on the district's tax base (In 2022, the Tier 1 rate was 8.046 to 8.941 mills). In addition, school districts can levy up to an additional 1.7 mills for Tier 2 funding (Up to 0.5 mills can be levied with a majority vote of the governing body, and an addional 1.2 mills can be levied with a majority vote of the electorate). Revenue raised from the Tier 2 mills may be subject to state recapture under a formula. | School districts may levy up to 5 mills for debt-service for voter-approved bonds (Interest & Sinking levy) | Above a school district's required Tier 1 mill rate, an additional 0.5 mills can be levied with a majority vote of the governing body and then an additional 1.2 mills can be levied with a majority vote of the electorate (See note on the tax limit for more details). | |
| UT | Property Tax Rate Cap | 7 | Varies | Other | X | | | X | | | X | 100% | | 1898 | The limit is 3.2 mills for counties with taxable value over $100 million and 3.6 mills for counties under $100 million. The school district basic tax rate cannot exceed the state-set certified levy rate which varies by district. | Debt service and specifically authorized levies are excluded. A jurisdiction may exceed the limit if the tax rate is below the certified rate, which is the rate that would generate the same tax revenue as the prior year. | A taxing entity may exceed the rate cap if it's necessary to avoid a drop in property tax revenue. In that case, the government can raise the mill rate to the level needed to raise the same property tax revenue as the prior year. | County rate limits were established in 1898; Municipal and school property tax rate limits were enacted in 1929 |
| WV | Specific Property Tax Rate Levies by Jurisdiction | Varies | Varies | Varies | w/Vote | | | | Varies | | | 60% | X | 1932 | Municipalities can levy up to 2.5 mills on Class 2 (residential and farm) and up to 5 mills on Classes 3 and 4 (nonfarm and nonresidential property). Counties may levy up to 2.86 mills on Class 2 and up to 5.72 mills on Classes 3 and 4. County boards of education can levy up to 4.95 mills on Class 2 and up to 9.18 mills on Classes 3 and 4. | School district debt not to exceed 5 percent of the value of taxable property is excluded from the limit and must be approved by a simple majority of the electorate. | Municipalities and counties may exceed the limit by specific amounts that vary by class for up to 5 years with a 60% vote of the electorate. School districts may exceed the limit by specific amounts that vary by class for up to 5 years with a simple majority vote. For Class 2 (residential), municipalities by up to 1.25 mills, counties may exceed the limit by up to 1.43 mills, and school districts by up to 4.59 mills. | |
| WY | Property Tax Rate Cap | 8 | 30 | 25 | | | | | | | | 9.5% | X | 1890 | Counties may levy up to 12 mills for general purposes, 12 mills for special purposes, and 6 mills for support of public schools. The state may levy up to 4 mills for general purposes and up to 12 mills for support of public schools. | | | The school district limit was enacted in 1911. |

| Overall Rate Limits (2022) | | Limit | | Exclusions | | | Override | | Other | | | Notes | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Overall Limit | Specific Gov't Limits | Debt Service | Special Levies | Other | Referenda | Other | Assess. Ratio | In Constitution | Year Enacted | Limit | Exclusions | Override | Other |
| AZ | Overall Residential Property Tax Rate Cap | 10 | | X | X | | | | 10% | X | 1980 | The limit applies only to owner-occupied primary residences. | Secondary property taxes are not subject to the overall rate limit. In 2023, the statewide average secondary rate was 4.07 mills and the average primary rate was 7.07 mills (AZ Dept of Revenue, 2023 State and County Abstract of the Assessment Role). | | |
| CA | Proposition 13 Rate Cap | 10 | | w/Vote | | | | | 100% | X | 1978 | | Voter approval required to exceed rate limit for debt service (55% for school districts; 66 2/3% for all other types of local governments). | | The limit applies to gross assessed value (assessed value minus exemptions) while voter-approved levies, excluded from the cap, apply to net assessed value. |
| IN | Local Property Tax Rate Cap | 6.67 | | X | | X | None | | 100% | No | 1973 | The overall rate limit applies to the sum of mills levied by all taxing districts. Within town or city boundaries, the limit is 6.667 mills. Outside town or city boundaries, the limit is 4.167 mills. | Taxes levied to pay principal and interest on a judgment funding obligation are not subject to this rate limit. | | |
| IN | Overall Tax Cap (Circuit Breaker) | Varies | | X | | | See Note | | 100% | X | 2008 | This limit restricts the property tax rate on individual properties to 1% of assessed value for homesteads, 2% of assessed value for non-homestead residential, and 3% for nonresidential. Homeowners receive a tax credit to reduce their property tax bill to the capped amount. | | While there is no override provision, all voter-approved levies are excluded from the limit. | |
| MI | Property Tax Rate Cap | 15 | | X | X | X | X | | 50% | X | 1932 | The 15-mill overall limit only applies to "allocated mills" levied on real and personal property by townships within a county, general law counties, and intermediate school districts. | The overall rate limit does not cover many millages: city/village mills, townchip or county charter mills, special education and career-techincal education mills, community college mills, authority millage, special assessments, and judgment levies. | Voters may by majority vote exceed the limit up to 50 mills for up to 20 years. If the limit is exceeded, the most recently approved millage must be reduced. | |
| NM | Property Tax Rate Cap | 20 | X | X | X | X | X | | 33% | X | 1914 | The 20 mill overall rate limit in the constitution is allocated in statute between municipalities (7.65 mills), counties (11.85 mills), and school districts (0.5 mills). | Statute authorizes levies above the limit for debt service, state purposes outside the property tax code approved by voters, payment of workers comp judgements, or school district judgements. | Each taxing district may override with a majority vote of that district's electorate. | |
| NV | Overall Property Tax Rate Cap | 36.4 | | | | X | | | 35% | X | 1979 | | The limit includes all public purposes. The state allows up to one additional mill for capital projects and conservation. Additional mills are also allowed for up to 5 years for localities under state management due to financial emergency. | | The state has both a constitutional and statutory limit but the statutory limit is more restrictive. |
| OH | Overall 10 Mill Limitation | 10 | | | | | X | | 35% | X | 1976 | Taxes levied under the limit are referred to as "inside mills." Ohio voters almost universally override the limit by approving "outside mills." | | A majority of voters may approve millage outside the limit, known as "outside mills," which includes bonds. | |
| OK | Property Tax Rate Cap | 15 | | | | | X | X | 11-13.5% | X | 1933 | Of the 15 mill overall limit for general purpose taxes, 5 mills must be apportioned for school districts and the remainder is split between county, city, and town districts. Counties must levy 4 mills for school districts (the tax is collected county-wide and then redistributed to school districts). | | Jurisdictions may authorize an emergency levy up to 5 mills with a majority vote of the electorate for one year. School districts may exceed the limit by up to 15 mills with a certification of need from the Board of Education. In addition, with a majority vote of the electorate, school districts may levy an emergency levy of up to 5 mills and a local support levy of up to 10 mills. By petition signed by at least 10 percent of electors, voters can have the opportunity to make excess levies permanent with a majority vote. | The constitution sets assessment ratios for real property at between 11 and 13.5 percent. Counties can choose the specific assessment ratio within that range. |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OR | Measure 5 Overall Tax Rate Limits | 10 | X | w/Vote | | | | | 100% | X | 1990 | The overall rate limit for non-school taxing jurisdictions is 10 mills, and the overall rate limit for schools is 5 mills (this includes school districts, educational service districts, and community colleges). Overall tax rates (including local option levies, permanent tax rates, and voter-approved bond levies) must be "compressed" until the combined rate falls below the limit for a given property. | | The limit excludes tax-exempt bonds approved by a double majority (majority approval of voters at a general election or 50%-turnout election). | | | | |
| PA | Overall Property Tax Rate Cap | 12 | | | | X | | | Varies | | 1965 | | | Home rule revenue is not subject to the aggregate limit. Taxes levied under the Municipalities Financial Recovery Act of 1987 or the Municipal Pension Plan Funding Standard and Recovery Act of 1984 are not subject to the aggregate limit. | | | | |
| WA | Washington Statutory Dollar Rate Limit | 5.9 | X | w/Vote | X | | Varies | | 100% | | 1973 | Municipalities may levy up to 3.375 mills. Counties may levy up 1.8 mills (or up to 2.475 mills if combined county and road district levies do not exceed 4.05 mills). Road districts may levy up to 2.25 mills. | | Levies for a large number special services are excluded, such as port or public utility districts, emergency medical care, fire protection districts, metropolitan park districts, transit-related purposes, flood control zone districts, criminal justice purposes, and parks and recreation districts. | | Any taxing district can exceed the limit with a 3/5 vote in which 40 percent of voters from the last election participate. School districts need only a simple majority. | | |
| WA | Washington 1% Constitutional Limit | 10 | | w/Vote | X | | Varies | | 100% | X | 1944 | | | Levies for debt service are permitted with a 3/5 vote in which 40 percent of voters from the previous election participate. Levies for a small number of special services are excluded, such as port or public utility districts. | | Any taxing district can exceed the limit with a 3/5 vote in which 40 percent of voters from the last election participate. School districts need only a simple majority | | |
| WV | Overall Property Tax Rate Cap | Varies | | w/Vote | | | Varies | | 60% | X | 1932 | The overall tax limit varies by Class: 10 mills for Class 2 (residential and farm), 15 mills for Class 3 (nonresidential and nonfarm in a municipality); and 20 mills for Class 4 (nonresidential and nonfarm outside a municipality). | | School district debt not to exceed 5 percent of the value of taxable property is excluded from the limit and must be approved by a simple majority of the electorate. | | Counties and municipalities may exceed the limit by up to 50 % for 5 years with a 60% vote of the electorate; School districts may exceed the limit by 100% for up to 5 years with a simple majority vote. | | |

| Property Tax Assessment Limits (2022) | | Limit | | Property Reassessed Following: | | | | Other | | | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Eligible Property | Annual Growth Cap | Property Transfer | New Const or Improv | Use Change | Other | In Constitution | Local Option | Senior Freeze | Year Enacted | Limit | Reassessment | Other |
| AZ | Limited Property Value | All | 5% | | X | X | X | | | X | 1980 | Property assessments are limited for the purposes of assessing primary taxes only. The annual growth cap applies to prior year capped value. | Property is not reassessed on transfer. A full reassessment occurs when a modification is greater than 15% of the property value, when the use changes, and in certain other cases when a property is altered by subdividing or consolidating. | |
| AR | Amendment 79 | All | 5% homestead, 10% non-homestead | X | X | X | | X | | X | 2000 | Arkansas counties reappraise every 3 years or every 5 years. Property values for primary homeowners age 65 or disabled is frozen. The 5% and 10% growth limits apply to the pre-reappraisal value (last countywide reappraisal value) each year. | Newly discovered real property, new construction, and improvements adding 25% or more of the property's value are excluded. Upon transfer, property is reassessed at the next countywide reappraisal. Life estates are not excluded. | |
| CA | Proposition 13 Assessment Limitation | All | Lesser of 2% or inflation | X | X | | | X | | | 1978 | California's assessment limit caps growth over the prior year assessed value to the lesser of 2% or inflation. If a property has not changed hands since 1975, the base value is the 1975 full cash value. | Certain property transfers (such as transfers from parents to children, and transfers between spouses) and certain new construction (such as accessibility construction, reconstruction after a disaster, and solar energy systems) do not trigger reappraisal at market value. By application, California homeowners who are age 55+, severely disabled, or victims of natural disasters, may transfer their base-year value of a homestead or family farm to a replacement property anywhere in the state up to the taxable value plus $1 million; different portability rules apply to property transfers that occurred before April 2021. After substantial improvements are made, there is not a full reassessment, but the market value of the newly constructed portion of the property is added to the property's assessed value. | |
| DC | Assessment Cap Credit | Homestead | 10% general, 2% seniors/disabled | X | | X | | | | | 2002 | In any year, the maximum assessed value increase allowed is 10% or 2% of the prior year taxable value for seniors and disabled homeowners. Any increase over the limit is offset by a credit on the property tax bill. The increase is calculated after subtracting the homestead exemption. | DC does not tax mobile homes. | |
| FL | Save Our Homes Assessment Limits | Homestead | Lesser of 3% or inflation | X | X | | | X | | | 1992 | Florida's homestead assessment limit caps growth over the prior year assessed value to the lesser of 3% or inflation. | Homesteads are reassessed at just value on change of ownership however the dollar value of the difference between assessed value and sales value (up to $500,000) is portable to a new property within three years if the property value is the same or greater. For a lower-value property, the assessment is reduced proportionately. Changes or additions are assessed at just value the January after construction is complete except for certain improvements to repair or replace property damaged or destroyed by disasters. | |
| FL | Non-Homestead Property Assessment Limit | Non-homestead | 10% | X | X | | X | X | | | 2008 | Florida's limits growth in nonhomestead assessments to 10% of prior year assessed value. | School taxes are excluded from the limitation. Changes, additions, or improvements are excluded from the limit and the market value of the newly constructed portion of the property is added to the property's assessed value. Certain construction or improvements to replace or repair property destroyed by disaster are not reassessed at market value. | |
| GA | Local Option Homestead Exemption Valuation Freeze | Homestead | Varies | | | | X | X | X | X | 1983 | Counties may at local option exempt the value of homestead property that exceeds the base year value, effectively freezing valuation. Some counties permit the valuation to increase up to an annual percentage rate. As of May 2024, 35 of the state's 159 counties had adopted a homestead exemption valuation freeze, including the 5 most populous counties and 8 of the top 9 most populous. | The limit applies to county taxes, county school taxes, or municipal or independent school district taxes at local option. | Local governments can set eligibility criteria and exemptions to target specific taxpayers. The local option exemptions (or revocations) must be approved by a 2/3 supermajority of each branch of the General Assembly and by a majority of electors in a referendum. |
| IA | Assessment Limitation (Aggregate limitation) | Residential, Ag., & Utilities | 3% residential & agr 8% utilities | | | | | | | | 1978 | Annual growth in aggregate residential and agricultural values is limited to 3% of prior year assessed value and growth in these two classes is tied so that both classes must grow at the same rate. Thus, if aggregate values for either class grow less than 3 percent, both classes are limited to the lower growth rate for that year. If revaluation leads to an increase in the value of residential or agricultural values over 3%, values are "rolled back" so that the total increase statewide for each class is 3%. The limit is achieved by applying assessment limit percentages to the taxable value for each class to bring total valuation under the limit. In 2022, the residential assessment limit percentage was 54.6501%. | Mobile homes inside mobile home parks are subject to an excise tax, as are mobile homes outside parks that are not permanently affixed to land. | |

| Property Tax Assessment Limits (2022) | | Limit | | Property Reassessed Following: | | | | Other | | | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Eligible Property | Annual Growth Cap | Property Transfer | New Const or Improv | Use Change | Other | In Constitution | Local Option | Senior Freeze | Year Enacted | Limit | Reassessment | Other |
| MD | Homestead Property Tax Assessment Freeze | Homestead | Varies | X | X | X | | | | | 1957 | Counties and municipalities may set the percentage for the credit to limit annual growth over prior year taxable assessment from 0% to 10%. In addition, annual growth for the state property tax is limited to 10%. The growth limit applies to the taxable assessment which is the assessed value adjusted for the phased-in assessment. | | |
| MI | Assessment Limitation | All | Lesser of 5% or inflation | X | | | | X | | | 1994 | Michigan's assessment limit caps growth over the prior year taxable value to 5% or inflation. | Property is reassessed upon sale except for property transferred by a first degree relative by blood or affinity or a grandson or granddaughter. Current-use agricultural and timberland property is not reassessed upon sale. | |
| NM | Assessment Limitation on Residential Property | Residential | Greater of 3% of prior year or 6.1% of value 2 years prior | X | X | X | | | | X | 2000 | New Mexico's assessment limit caps growth over the prior year taxable value to the greater of 3% of prior year or 6.1% of value 2 years prior | Solar energy installations do not trigger reassessment but the value is recaptured upon transfer. The value of other new improvements are assessed at full value. | |
| NY | Limits on Assessed Value Increases in Special Assessing Units over 1 Million | NYC & Nassau Cnty | 1-3 unit residential, 6% (and 20% over 5 yrs); Other, under 10 units, 8% (and 30% over 5 years) | | X | | | | | | 1971 | Property in New York City is subject to limitson year over year assessed value limits. For non-residential property classes, market-driven increases in assessment must be phased in over 5 years. | The fractional assessed value of any new physical improvement is added to a property's capped assessed value, but the improvement does not trigger a full reassessment. | |
| OK | Assessment Limitation | All | 3% homestead & ag., 5% all other | X | X | | | X | | X | 1996 | Oklahoma limits growth is assessements to 3% (homesteads and agricultural) or 5% of prior year taxable value. | The fair cash value of new improvements is added to the limited taxable value. | |
| OR | Measure 50 Maximum Assessed Value | All | 3% | | X | X | X | X | | | 1997 | Maximum assessed value for each property was 90% of its 1995-96 market value - MAV may not increase by more than 3% and property is not reassessed upon transfer. | Property value may increase by more than 3% as a result of new property or new improvements, subdivision, rezoning, omitted property, or disqualification due to exemption or special assessment. | |
| SC | Real Property Valuation Reform Act | All | 15% over 5 years (≈ 2.83% per year) | X | X | | | X | | | 2006 | Property is reappraised on a 5-year cycle in South Carolina. Following reappraisal, real property values may not grow more than 15% in a 5-year period, except in the case of new improvements or assessible transfer of interest. | The limit does not apply to new improvements or Assessible Transfer of Interest. | |
| TX | Homestead Cap Value | Homestead | 10% | X | X | | | X | | | 1997 | Texas caps growth in assesments to 10% of the prior year assessed value. | Improvements are excluded from the limit. | |
| | | | | | | | | | | | | | | |
| | **Assessment Phase-Ins** | | | | | | | | | | | | | |
| CT | Municipal Option Assessment Phasing | All | Varies | | | | | | X | X | 1987 | A municipality's legislative body may phase-in a revaluation assessment increase for up to five years. The locality determines the portion of the assessment increase to phase in between 25 percent and 100 percent of the increase. | | The legislative body may vote to discontinue the phase-in. |
| LA | Phase-in Assessment Increases on Homestead Property | Homestead | 1/4th of valuation increase | X | X | | | X | | X | 2018 | | Valuation increases attributable to construction or improvements are not subject to the limit. Property may not be reappraised until after the four-year phase in. | |
| MD | Assessment Phasing | All | 1/3rd of valuation increase | | | | See Note | | | | 1975 | | The law is silent on exclusions. | |

| Property Tax Levy Limits (2022) | | Limit | | | | | Exclusions | | | Override | | | Other | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cap | Frequency | Muni | Cnty | Schl | Debt Service | New Constr, Improvements, Annexations | Other | Referenda | Governing Body | Other | In Const. | Year Enacted | Limit | Exclusions | Override |
| AK | Municipal Property Tax Levy Cap | Other | Annual | X | N/A | N/A | X | | | | | | | 1972 | Municipalities with per capita property tax bases at least 225% higher than the state average may be subject to a cap on their per capita property tax levy according to the following calculation. First, the municipality cannot raise more than would be generated by a HYPOTHETICAL tax base per capita, which is a multiple of the average per capita full and true value in the state. The multiple depends on the municipality's mill rate: a) 3.75 x state average if mill rate is 18 or less, b) 3.0 x state average if mill rate is 18.01-19 mills, or c) 2.25 x state average if rate is above 19 mills. In TY2019, the state average full value was $158,496, so a community with a mill rate above 19 mills would be treated AS IF it has a tax base of $356,616 per capita (2.25 x $158,496). Second, this hypothetical tax base is multiplied by the state's mill rate limit (30 mills for 1st class cities; 20 mills for 2nd class cities) to generate the maximum allowable property tax levy per capita ($10,699 per capita in this example for a 1st class city with a mill rate above 19 mills). | | |
| AZ | Property Tax Levy Cap (Maximum Allowance Levy Limit) | 2% | Annual | X | X | | X | X | X | X | | | X | 1913 | This limit applies only to primary taxes for counties, cities, towns, and community college districts (It excludes secondary taxes that fund debt service, budget overrides, and special districts). Any excess revenue collected over the limit must be used to reduce property taxes the following year. The levy limit is calculated based on the maximum allowable levy for the preceding year even if the actual levy in the previous year is lower. | Special district levies and county support for school districts are excluded. | Each year, voters may approve a levy in excess of the limit. |
| AR | Property Tax Levy Cap | 10% | Reassess. Rollback | X | X | X | X | X | X | | | | X | 1981 | The limit takes effect after a countywide reappraisal that results in a 10 percent or higher increase in taxable property, and restricts the levy increase for each taxing unit to 10 percent over the previous year. Counties must reappraise every 3 to 5 years. | Tangible personal property and utility real and personal property is excluded. If the rollback results in insufficient revenue to meet debt service obligations, the millage rollback should be adjusted to meet the requirements. | |
| CO | Annual Levy Law (5.5% statutory limit) | 5.5% | Annual | X | X | | | X | X | X | | | | 1913 | The limit applies to non-home rule counties, cities, and towns. The lower of the 5.5% levy limit or TABOR levy limit applies. | Oil and gas production from new wells may be excluded as new property. | |
| CO | The Taxpayer's Bill of Rights (TABOR) Levy Limit | Inflation plus growth | Annual | X | X | X | | X | | X | | | X | 1992 | The TABOR levy limit restricts growth based on the Denver-Aurora-Lakewood CPI plus local growth. For non-school governments, local growth is the net percentage change in the tax base due to new construction, destruction, or deletion; for school districts, local growth in the percentage change in enrollment. The more restrictive of the 5.5% levy limit or TABOR levy limit applies. | Destructions and deletions from the tax base are subtracted before calculating the levy limit. | |
| DE | County Property Tax Levy Cap | 15% | Reassess. Rollback | | X | | | X | | | | | | 1972 | After reassessment, the county property tax levy may not exceed 15% over the immediately preceding fiscal year. | | |
| DC | Levy Limit for Class 2 Commercial | 10% | Annual | X | N/A | N/A | | | | | | | | 2010 | Real property taxes raised on commercial property (Class 2) cannot exceed 110% of the prior year yield. | | |
| DC | Levy Limit for Class 1 Residential Property | 7% | Annual | X | N/A | N/A | | | | | | | | 2006 | Growth in the levy on residential property (Class 1) is limited to the lesser of growth in taxable assessed value or 7 percent of the previous year's levy. The property tax rate for Class 1 must be adjusted to stay under the limit. If taxable value decreases, the rate remains the same as the prior year. | | |
| ID | Property Tax Levy Cap | 3% | Annual | X | X | | | Up to 90% of added value | X | Varies | | | | 1995 | Growth in the levy is limited to 3% of the highest adjusted levy over the prior three yeas plus 90% of the amount generated by applying the prior year property tax rate to new construction, annexation, and change in classification. The adjusted levy for each of the prior three years is the actual levy reduced by 50% of the increase over the prior year. The limit applies to all taxing districts except schools. | The levy limit excludes 90% of the revenue generated by applying the prior year property tax rate to new construction, annexation, and change in classifications, although even with this exclusion, the total levy cannot increase more than 8%. | Counties may exceed the limit for up to two years with a simple majority vote of the electorate. Cities with levies below 4 mills may raise the levy to 4 mills with 60% voter approval. All taxing districts can permanently override the limit with a 2/3rds supermajority. |
| IL | Property Tax Extension Limitation Law (PTELL) | Lesser of 5% or inflation | Annual | X | X | X | X | X | X | X | | | | 1991 | The limit applies to non-home rule jurisdictions in the collar counties, Cook County, and other counties if adopted by referendum (33 counties as of April 2024). Counties that have adopted PTELL by referendum may also rescind it, but none have as of 2024. | The limit does not apply to home rule jurisdictions. Property added to the tax base due to TIF expiration is excluded from the limit. | Jurisdictions may override the limit for up to four years. |
| IN | Maximum Permissible Ad Valorem Tax Levy | Other | Annual | X | X | | X | | X | | | X | | 1973 | For each taxing district, growth in property tax revenues are limited to the lesser of 6% or the average annual growth rate of Indiana non-farm personal income over the previous 6 years | Certain functions and funds are exempt such as the major bridge fund. | Jurisdictions may appeal to the State Department of Local Government Finance, but an override is typically only granted for annexation, consolidation, or extension of services. |
| LA | Maximum Authorized Levy | 0% | Reassess. Rollback | X | X | X | X | X | | | 2/3 | | X | 1978 | Following reassessment, jurisdictions must adjust mill rates to keep the levy the same as the prior year (adjusted millage rate). Jurisdictions can levy up to but not above the adjusted maximum millage. When assessed values increase, an override is necessary to "roll forward" or levy over the adjusted maximum millage up to the maximum authorized levy, usually the prior year's maximum levy. | Increases in the levy due to adding additional property to the tax rolls are not subject to the limit. The limit does not apply to taxes levied for the payment of general obligation bonds. | |

| Property Tax Levy Limits (2022) | | Limit | | | | | Exclusions | | | Override | | | Other | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cap | Frequency | Muni | Cnty | Schl | Debt Service | New Constr, Improvements, Annexations | Other | Referenda | Governing Body | Other | In Const. | Year Enacted | Limit | Exclusions | Override |
| ME | Municipal Property Tax Levy Cap (LD1) | Income Growth | Annual | X | | | | X | X | X | X | | | 2005 | The growth limitation factor is the statewide average 10-year personal income growth plus local property growth. If new state funding covers services previously funded by local property taxes, the levy limit must be lowered accordingly. | Municipal property tax revenue allocated to pay county taxes and fund schools are excluded from the limit. | Municipalities may only override the limit for extraordinary circumstances including catastrophe events, unfunded mandates, referenda, court orders, or loss of state or federal funding. For town-meeting municipalities, the limit requires a majority vote by written ballot on an article identifying intent to override. For municipalities governed by a town council or city council, the voters may petition for a referenda; otherwise a majority vote of the governing body is required. |
| MA | Proposition 2 ½ Levy Limit | 2.5% | Annual | X | N/A | N/A | X | X | w/Vote | X | | | | 1980 | The 2.5% levy limit is based on the prior year limit, not the actual levy. | Municipalities may exceed the levy limit temporarily for capital outlays and debt with a 2/3 majority vote of the governing body and a majority vote of the electorate. | |
| MI | Headlee Amendment Levy Cap | Inflation | Annual | X | X | X | X | X | X | X | | X | X | 1978 | Annual growth in the property tax levy, excluding new construction and debt service, may not increase more than the consumer price index. If the tax base is broadened, the tax rate must be reduced to yield the same revenue on the prior base. | Loans to school districts are excluded. | Jurisdictions may exceed the limit in any year in which the legislature declares an emergency. |
| MN | Property Tax Levy Limit | Other | Other | X | X | | w/Vote | X | X | X | | | | 1997 | The state legislature must act to impose the levy limit at a legislatively-determined level which can be a flat percentage, inflation, or a growth formula. The limit was last imposed in 2014. When imposed, it applies to counties with population over 5,000 and cities with population over 2,500. If state aid increases, the allowable local property tax levy decreases; if state aid decreases, the levy limit increases. | At the discretion of the legislature, some or all special levies are excluded from the limit but require voter approval. Some portion of annexed property is excluded from the limit. | |
| MS | Property Tax Levy Cap | Varies | Annual | X | X | X | X | X | X | Varies | See note | | | 1980<br>1983 Schl | The property tax levy is limited to a 10% increase (non-school taxing districts) or 7% increase (school districts) over total revenue in any of the three previous years. | Mandatory levies are excluded. | Counties and municipalities may override the limit by a majority vote for up to 5 years. School districts may override with a 3/5ths vote. The governing body of a municipality or county can exceed the levy limit without a voter referendum if the aggregate levy would be 20 mills or less. |
| MO | Property Tax Levy Ceiling & Tax Rate Rollback (Hancock Amend.) | Lesser of 5% or inflation | Annual | X | X | X | X | X | | X | | | X | 1980 | | | |
| MT | Property Tax Levy Cap | 1/2 of Inflation Rate | Annual | X | X | | | X | X | X | | | | 1986 | The property tax levy for taxing jurisdictions exempt school districts is capped at half of the average rate of inflation (CPI) for the last three years. Unlevied mills may be carried over to a subsequent year. | The limit excludes newly taxable property. Certain levies including judgement levies, emergency levies, and levies to repay taxes paid under protest are excluded. | Jurisdictions may exceed the limit or impose a new levy over the limit by a majority vote. |
| NE | Local-Option Property Tax Levy Cap | Other | Other | X | X | X | X | | | X | | | | 1978 | Ten percent of voters in a jurisdiction can petition for a levy limit by referendum. The limit requires simple majority approval by the electorate and remains in effect for two years. | | The limit is imposed for two years, but a jurisdiction may rescind the limit at the end of the first year by majority vote. |
| NV | Local Government Operating Rule | 6% | Annual | X | X | | X | X | X | X | | | | 1983 | The tax rate set may not produce more than 6% increase in revenue over the prior year. However, local governments are not required to reduce their tax rate below the prior year's tax rate, if using the prior year's tax rate would generate more than a 6% increase in revenue; in that case, they can use the prior year's tax rate.<br>The maximum levy increase is limted to 6% over the prior year's maximum revenue allowable. Per NRS 354.59811 (a), "a 6% growth factor is applied to the allowed revenue base for the prior fiscal year" (Nevada DOR, Division of Local Government Services, Local Government Finance Revenue Projection, FY24-25, Preliminary, 2024, A-2, https://tax.nv.gov/wp-content/uploads/2024/04/Preliminary-Revenue-Projections-FY-24.25.pdf) | For capital projects, board of county commissioners may levy an additional .5 mills without voter approval. | Taxing entities may exceed the 6% levy limit with majority voter approval and the additional property tax may last up to 30 years. The referendum must include the tax rate to raise the additional revenue, the purpose, and the duration of the additional property tax. Also, for capital projects, the board of county commissioners may levy an additional 15 mills for up to 10 years upon approval by a majority of voters. |
| NV | Overall Levy Growth Limit (Partial Property Tax Abatement) | Other (Parcel specific) | Annual | X | X | X | X | X | | X | | | | 2005 | This limit applies to tax bills for individual properties, whereas other levy limits apply to the aggregate levy for entire jurisdictions. Property tax bills for single family primary residences and certain rental properties cannot increase more than 3% over the prior year. For any increase over this amount, owners are entitled to a partial tax abatement so that the amount of increase equals 3%. For all other properties, allowable tax growth is the greater of (1) the average growth of all assessed values over the current fiscal year and prior nine fiscal years, or (2) twice the change in the U.S. CPI for the prior year OR 8%, whichever is less. | | |

| Property Tax Levy Limits (2022) | | Limit | | | | | Exclusions | | | Override | | | Other | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cap | Frequency | Muni | Cnty | Schl | Debt Service | New Constr, Improvements, Annexations | Other | Referenda | Governing Body | Other | In Const. | Year Enacted | Limit | Exclusions | Override |
| NJ | Property Tax Levy Cap | 2% | Annual | X | X | X | X | X | X | X | X | | | 1976 | For counties, municipalities, and school districts, the increase may not exceed 2% over the prior year's levy. For schools, adjustments for increased enrollment is not included in the 2% levy limit computation. | For counties and muncipalities: (1) pension contributions in excess of 2%, (2) health care costs in excess of various thresholds, and (3) extraordinary costs related to declared emergencies. For schools, (1), (2), plus increased student enrollment. | The voter referendum must either identify the changes in the appropriations or revenues that warranted the request to exceed the limit or provide clear explanation of reasons for the request. If a school district operates as a Type 1 district, a majority of the board of school estimate, not voters, must approve to excedd the levy limit. For school districts, the referedum to exceed the levy limit may be temporary or permanent. If an override fails, counties, municipalities, and school districts may add to its adjusted levy in any one of the next three succeeding budget years, the amount of the difference between the maximum allowable levy and the actual levy raised in the current budget year. |
| NM | Yield Control | Lesser of 5% or inflation | Reassess. Rollback | X | X | X | X | X | | | | | | 1979 | Following reassessment, revenue increase is limited by the growth yield factor, which is the sum of the (1) annual increase in the implicit price deflator for state and local purchases of goods and services, determined by the U.S. Department of Commerce (up to 5%) and (2) the percent increase in property values due to new growth. The growth yield factors are calculated differently for residential and nonresidential properties. | | |
| NY | Constitutional Limit on Real Estate Taxes for Local Purposes | Varies | Annual | X | X | | X | | | | | | X | 1938 | For general purposes, counties may levy up to 1.5% of five-year average full taxable value or up to 2% by a prescribed method determined by the legislature, but it can be increased by action of the county governing body up to a maximum of 2 percent; cities and villages up to 2%, and New York City and counties within New York City up to 2.5%. The Big Five cities (New York City, Buffalo, Rochester, Syracuse, and Yonkers) have school districts that are fiscally dependent on their respective city, and education in these cities must be funded within the Constitutional tax limit of the big cities. Towns are not subject to this constitutional limit. | | This constitutional tax limit cannot be overriden. |
| NY | Property Tax Cap | Lesser of 2% or inflation | Annual | X | X | X | X | | X | 3/5 | 3/5 | | | 2012 | New York City, counties within New York City, and school districts in New York City and Big Four cities (Buffalo, Rochester, Syracuse, and Yonkers) are not subject to this limit. Otherwise, this cap applies to all other counties, cities, towns, villages, and school districts. If an entity levies an amount below the tax levy limit, the lesser of 1.5% of the prior year levy limit or the difference between what was actually levied and the levy limit may be carried over into the next fiscal year. | For counties and municipalities, pension contributions are excluded, as are court ordered expenditures and tort judgments if they exceed 5% of the prior year's levy. For schools, the capital tax levy is excluded. | For counties and municipalities, 3/5ths of the governing body must approve to override the limit. For schools, 3/5ths of the electorate must approve. |
| ND | Schedule of Levy Limitations (Levy Limit) | 12% up to 70 millls | Annual | | | X | X | | w/Vote | Varies | | | | 1981 | This limit applies to property tax levy collected for purposes of providing educational services. | Any school district may levy for a school building fund annually not to exceed twenty mills with approval of 3/5ths of the electorate. This levy is in addition to and not restricted by the levy limit. N.D. Cent. Code, § 57-15-16. | For school disricts with a population of more than 4,000, majority vote of the electorate is required and with a population of less than 4,000, 55/100th (55%) vote. The ballot must specify the number of mills proposed and approval of the increased levy is effective for up to 10 years. |
| OH | Tax Reduction Factors | Other | Reassess. Rollback | X | X | X | X | X | X | | | | | 1976 | Following reassessment, the tax rate for any taxes approved by voters above the 1% tax rate limitation (a.k.a. outside millage) must be reduced so that it generates the same amount of tax revenue as the preceding year before the reassessment. For schools, the tax reduction cannot decrease the tax rate below 2%. The tax rate must be determined for two classes of property: residential/agricultural and nonresidential/agricultural real property. | Reduction factors are not applied to un-voted millage within the 10-milll limitation as per the Ohio constitituion or to millage authorized by municipal charter. Only the millage outside this 10-mill constitutional limit is subject to the tax reduction factor. | |
| PA | Property Tax Levy Cap | Varies | Reassess. Rollback | X | X | X | X | X | | X | | X | | 1933 | In the first year following reassessments, taxing districts in counties of the second class A to eight class, must roll back their tax rates to produce the same amount of revenue as the prior year. After establishing the rollback rate, the governing body of each taxing jurisdictions within these counties may by vote to set the final tax rate to generate up to 10% above the prior year's levy. For taxing districts in counties of the second class, the same rollback applies except that the levy limit is up to 5% above the prior year's levy. The above limitation do not apply to school districts. The school districts' levy increase is limited to the index, which is the average of the percentage change in the statewide average weekly wage and the federal Employment Cost Index (which measures the change in labor costs for elementary and secondary schools). | The debt service exclusion applies to school districts, but not counties or municipalities. | For school districts, the levy limit may be exceeded with a majority vote by the electorate or in certain cases by approval by the department of education. For counties and municipalities, the court of common pleas (general trial court) may approve to exceed the limit. |

| Property Tax Levy Limits (2022) | | Limit | | | | | Exclusions | | | Override | | | Other | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cap | Frequency | Muni | Cnty | Schl | Debt Service | New Constr, Improvements, Annexations | Other | Referenda | Governing Body | Other | In Const. | Year Enacted | Limit | Exclusions | Override |
| RI | Municipal Property Tax Levy Cap | 4% | Annual | X | N/A | N/A | w/Vote | | w/Vote | X | 4/5 | | | 1985 | | The levy limit may be exceeded with a 4/5 vote by the governing body for several reasons (see notes on override provisions), including if a city or town experiences substantial new growth that requires new infrastructure, schools, etc. | The levy limit may be exceeded if a city or town experiences: (1) a loss in total non-property tax revenue; (2) an emergency (such as increase in health insurance and retirement contribution costs); (3) debt services expenditure issues; or (4) substantial new growth which requires infrastructure and schools. The governing body must vote to exceed the limit with a 4/5ths vote. If a city or town has a financial town meeting, the majority of the electors attending the meeting shall also vote to approve the excess levy. Whether a town or city has financial town meetings is determined by its charter. |
| SD | Property Tax Levy Cap (Limitation and Opt-Out) | Lesser of 3% or inflation | Annual | X | X | | X | X | X | X | 2/3 | | | 1995 | Inflation is measured by the CPI for Urban Wage Earners and Clerical Workers (CPI-W), which primarily measures changes in consumer prices for blue collar wage workers. Counties and municipalities may utilize any unused index factor (e.g. CPI-W) from the preceding three years, but such an amount may not exceed the preceding three year index factor total or 10 percent, whichever is less. The levy limit does not apply to school districts. | Any judgement against the taxing jurisdiction is excluded. A taxing district is exempt from this levy limitation for two years immediately following its creation. | The levy limit can be exceeded by 2/3rds vote by the governing body. (Phrased another way: The decision to opt out of the levy limit is by 2/3rds vote of the governing body.) The governing body's resolution must specify the number of years the excess levy will be imposed. A notice of the tax increase must be published in a newspaper within 10 days of the decision to opt out of the tax limitation. Alternatively, a notice may be mailed to taxpayers and a copy of the resolution must be printed in each government unit's official newspaper. The notice requirement may be waived if the amount that exceeds the levy limit is less than $15,000. The excess levy (or the opt-out decision) may be referred to a vote of the people by the governing body's resolution or by petition of at least 5% of voters. |
| TX | Property Tax Levy Cap with Truth in Taxation Override | Varies | Annual | X | X | X | X | X | | X | | | X | 1982 | The "voter-approval rate" is the maximum percentage increase in the levy allowed without voter approval. For counties and municipalities, the voter-approval rate is 3.5% plus debt service and unused increments. Unused increments is the forgone revenue in the preceding three years. For school districts, the voter-approval rate is based on a formula, provided in the Texas Education Codes. | | An automatic election is held if the governing body adopts the voter-approval rate. |
| WA | 101 Percent Limit (Initiative 747) | Lesser of 1% or inflation | Annual | X | X | X | | X | | X | | | | 2001 | Taxing districts with a population greater than 10,000 may increase their levies by lesser of 1% or the rate of inflation over the highest levy in the prior 3 years. Local taxing districts with a population less than 10,000 may increase their levies up to 1% over the highest levy in the prior 3 years. | | For local taxing districts, a majority of voters can exceed the limit. If the ballot expresssly states, voters may authorize annual increases in levies up to 6 consecutive years, during which period, the maximum allowable levy may be used as the base to calculate increases in the levy limit for succeeding years. |
| WV | Levy Limit with Truth in Taxation Override | 10% | Reassess. Rollback | X | X | | X | X | | | | | | 1990 | Following reassessment, the tax rate must be reduced to produce no more than 1% over the prior year's revenue unless there is notice and public hearing. After providing notice and holding a public hearing, the governing body may increase the tax rate to generate up to 10% more revenue than the prior year. | | There is no override provision. |

| Property Tax Levy Limits (2022) | | Limit | | | | | Exclusions | | | Override | | | Other | | Notes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cap | Frequency | Muni | Cnty | Schl | Debt Service | New Constr, Improvements, Annexations | Other | Referenda | Governing Body | Other | In Const. | Year Enacted | Limit | Exclusions | Override |
| WI | Property Tax Levy Limit | 0% | Annual | X | X | | X | X | X | X | Varies | | | 2005 | If local governments start to use fee revenue to fund services previously funded by the property tax (such as trash or snow removal), they must reduce the property tax levy by the amount of the new fee revenue unless voters in a referendum approve not to reduce the property tax levy. | There are many exclusions that are excluded from the levy limit calculation, including the amount that a county levies for a county children with disabilities education board and an amount a 1st class city levies for school purposes, and unreimbursed expenses related to an emergency declared for a city, village, town, or county. Some exclusions are limited to specific taxing entities. | A city, village, town, or county may exceed the levy limit if a majority of voters approve.<br>If the actual levy was lower than the allowable levy in the prior year, in the next succeeding year, the governing body of a city, village, or county with at least 5 members may increase the levy limit up to 0.5 percent above the prior year's actual levy with a majority vote and more than 0.5 percent up to 1.5 percent by 3/4ths vote. For a city, village, or county with less than 5 members, the levy limit may be increased up to 0.5 percent with a majority vote of the governing body and more 0.5 percent up to 1.5 percent by 2/3rds vote. For a town, the levy limit may be increased up to 0.5 percent by a majority vote of the town meeting and more than 0.5 percent up to 1.5 percent by 2/3rds vote of the town meeting following the adoption of a resolution approving such increase by the majority of the town board. |

| Revenue and Expenditure Limits (2022) | | Type | Limit | | | | Exclusions | | | Override | | Other | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Cap | Muni | Cnty | Schl | Debt Service | Specified Revenue Sources | Specified Spending Categories | Referenda | Governing Body | In Const. | Year Enacted |
| AZ | Local Expenditure Cap | Expenditure Limit | Cost of living & pop. change | X | X | X | X | X | | X | 2/3 | X | 1921 |
| CA | Government Spending Limitation (Gann Initiative) | Expenditure Limit | Cost of living & pop. change | X | X | X | X | X | X | X | | X | 1979 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CO | The Taxpayer's Bill of Rights (TABOR) Fiscal Year Spending | Revenue & Expenditure Limit | Inflation plus growth | X | X | X | | X | | X | | X | 1992 |
| IA | School District Maximum Spending Authority | Expenditure Limit | Per Pupil Foundation Formula | | | X | X | X | X | | | | 1989 |
| KS | Local Option Budget Authority | Expenditure Limit | Foundation Formula | | | X | | | | X | | | 1973 |
| ME | County Assessment (Appropriation) Limit | Expenditure Limit | Income growth plus property growth | | X | | | | | X | X | | 2005 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MN | School District Levy and Aid Formulas | Revenue Limit | School District Levy and Aid Formulas | | | X | X | X | | X | | | 1971 |
| NE | General Revenue Cap | Revenue Limit | 2.5% | X | X | | X | | X | X | 3/4 | | 1996 |
| NE | School District Expenditure Caps | Expenditure Limit | School Budget Authority Formula | | | X | | | X | X | | | 1990 |
| NJ | General Budget Cap (Appropriation Cap) | Expenditure Limit | Lesser of 2.5% or inflation | X | X | | X | X | X | X | X | | 1976 |
| WI | School District Levy Cap | Revenue Limit | Revenue Limit Formula | | | X | X | X | X | X | | | 1993 |

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# MEMORANDUM

**TO:** Members, Real Estate Property Tax Relief Task Force

**FROM:** Lindsay J. Laxon, Legislative Analyst

**DATE:** September 15, 2026

**RE:** Current Municipal Funding Options – PILOTS, service charges, and impact fees

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At various times during meetings, Task Force members discussed ways in which municipalities may receive funding other than through property taxes. These funding sources include motor vehicle and boat excise taxes; license and permit fees; service charges; impact fees; fines; interest (bank and taxes); and donations.[1] Municipalities may also receive payments in lieu of taxes (PILOTS) from property tax-exempt entities, although very few of these arrangements are required by law. At its June 30, 2026, meeting, a majority of Task Force members expressed interest in discussing PILOTS, including tracking of these arrangements by Maine Revenue Services. The intent of this memo is to provide a brief overview of the relevant provisions of Maine law related to PILOTS, but also to provide additional information regarding two municipal funding sources: service charges and impact fees.

## Payments in Lieu of Taxes (PILOTS)

### *Required Payments*

Although not explicitly defined in Maine Statute, PILOTs are generally payments made voluntarily by tax-exempt entities as a substitute for property taxes. There are a few provisions of Maine law that require certain property tax-exempt entities to make PILOTS.

- Title 38, section 2175-B requires the Bureau of General Services to annually pay a municipality the amount of property taxes on a solid waste disposal facility[2] owned or operated by the bureau not paid to that municipality during the previous calendar year.
    - For example, in 2025, the Juniper Ridge Landfill, which is owned by the state, made payments to the City of Old Town totaling $359,063.[3]

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[1] *See* Maine Municipal Association presentation to the Task Force dated September 30, 2025, available here: https://legislature.maine.gov/doc/12045.

[2] "Solid waste disposal facility" means a solid waste facility for the incineration or landfilling of solid waste or refuse-derived fuel. Facilities that burn material-separated, refuse-derived fuel, either alone or in combination with fuels other than municipal solid waste or refuse-derived fuels, are not solid waste disposal facilities. *See* 38 MRSA §1303-C(30).

[3] *Source:* June 2026 Host Benefits Report for Juniper Ridge Landfill, available at: https://www.maine.gov/dafs/bgs/sites/maine.gov.dafs.bgs/files/inline-files/0626_JRL_Host_Benefit_Cumulative_Summary.pdf.

- Title 35-A, section 3141 requires the owner of utility facilities in the state to make PILOTS to the municipality where the facility is located if the owner is a foreign electric utility that is a municipal or quasi-municipal corporation or other political subdivision of a state or province, as those facilities are otherwise exempt from taxation.
    - It is unclear if any foreign electric utilities are required to make PILOTS in accordance with this requirement.

***Voluntary Payments***
The *voluntary* payment of PILOTS is addressed in Title 36 for the purposes of the unorganized territories. Section 1612 allows for the voluntary payment of PILOTS by an owner of property that is totally exempt from taxation under section 652 (real estate and personal property) and located in an unorganized territory. Such payments, if made, are to be provided to the State Tax Assessor and then deposited in the applicable county unorganized territory fund[4] and may be used for municipal services in any area of the unorganized territory of the county.

***Municipal Usage - Examples***
As a part of a 2008 study conducted by the State Tax Assessor,[5] Maine Municipal Association distributed a survey to municipalities regarding the use of payments in lieu of taxes agreements and the implementation of these PILOTs. Fifty-one municipalities responded to the survey, 18 of which stated that they received PILOTs. The survey results indicated a variety of arrangements including some based on formal agreements between the municipality and the tax-exempt entity, while in other cases the municipality received payments in amounts determined by the entity or for less than the property taxes that would otherwise be owed.

In the absence of more current survey data, municipal audit records indicate that these arrangements exist in multiple municipalities.

- For example, for the year ended June 30, 2025, the Town of Vinalhaven reported receiving income of $22,705 from payments in lieu of taxes;[6] the town of Hermon reported receiving $11,000;[7] and the Town of Georgetown reported receiving $1,216.[8]
- For the year ended June 30, 2024, the Town of Phippsburg reported receiving $22,102.50[9] in payments in lieu of taxes, the City of Bangor reported receiving $310,708,[10] and the Town of Brunswick reported receiving $492,921.[11]

**<u>Service Charges</u>**
Pursuant to Title 36, section 508, a municipality may impose service charges on the owner of residential property, other than student housing or parsonages, that is totally exempt from taxation under section 652 (real estate and personal property) and that is used to provide rental income.

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[4] *See* 36 MRSA §1612.
[5] For more information, please see https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/service_charges.pdf.
[6] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=609296&an=4.
[7] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=609039&an=4.
[8] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=609009&an=4.
[9] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=609191&an=1.
[10] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=608859&an=1.
[11] *See* https://www.maine.gov/tools/whatsnew/attach.php?id=608897&an=1.

- Service charges must be calculated according to actual cost of providing municipal services, other than education and welfare, to that property. Revenues derived from service charges must be used to fund, to the extent possible, the costs of those municipal services.
- The total service charges levied by a municipality may not exceed 2% of the gross annual revenues of the institution or organization.
- The municipal legislative body must identify institutions and organizations upon which service charges will be levied and the service charge must be imposed on every similarly situated institution or organization.
- Unpaid service charges may be collected in the manner provided for unpaid sewer district bills.
- *Note:* this is distinct from "charges for services" that one might see on a municipal audit or in a municipal budget.

***Municipal Usage - Examples***

In the 2008 study mentioned above, the State Tax Assessor was charged with convening a study group to review the law governing municipal service charges for tax-exempt property.[12] At the request of the study group, Maine Municipal Association surveyed its membership seeking information regarding the adoption and implementation of any service charge ordinances. The results indicated that one municipality (Saco) enacted a service charge ordinance although it provided no information regarding its implementation.

It is unclear how many municipalities assess service charges at this time.

**Impact Fees**

Maine law also allows municipalities to charge impact fees, which are defined in statute as a charge or assessment imposed against a new development to fund or recoup a portion of the cost of new, expanded or replacement infrastructure facilities necessitated by and attributable at least in part to the new development.[13] Title 30-A, section 4354 provides that a municipality may enact an ordinance under its home rule authority requiring the payment of impact fees instead of the construction of infrastructure improvements, including the expansion or replacement of existing infrastructure facilities and the construction of new infrastructure facilities.

- Infrastructure facilities include waste water collection and treatment facilities, municipal water facilities, solid waste facilities, public safety equipment and facilities, roads and traffic control devices, parks and other open space or recreational areas, and school facilities.
- A municipality must demonstrate that a required infrastructure improvement is necessary to accommodate the development and that the impact fee is based on the cost of the infrastructure improvement and proportionate to the development's use of the infrastructure improvement.
- The municipality must establish a policy document that describes the manner by which it determines that a development necessitates an infrastructure improvement and how the developer's share of the cost of that improvement is determined. This document must be posted on the municipality's website.

[12] For more information, please see https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/service_charges.pdf.

[13] *See* 30-A MRSA §4301(6-A).

- Funds received from impact fees must be segregated from the municipality's general revenues and must be solely for the purposes for which they were collected.
- The municipal ordinance must establish a reasonable schedule under which the municipality is required to encumber the funds within 360 days of receipt and in a manner consistent with the capital investment component of the comprehensive plan.
- *Note*: Section 4354 was recently amended by PL 2025, chapter 480.

***Municipal Usage - Examples***

- The City of Saco[14] generally charges impact fees to a developer or property owner constructing or developing a single family residence serviced by city sewer. Some of these impact fees include a recreation facilities impact fee ($1,500.80); an open space recreation impact fee ($624.00); and a fire/EMS impact fee ($500). These fees must be collected prior to the issuance of a permit for residential construction that is subject to the fee.
- The Town of Scarborough[15] generally charges impact fees to a developer for single family dwellings. These fees include a recreation impact fee ($420 per bedroom, not to exceed $1,600) and a school impact fee ($11,391). The Code Enforcement Officer may not issue any building permit required under the Zoning Ordinance until the applicant has paid any required impact fees.

***Additional Information***

On January 1, 2026, the Department of Economic and Community Development issued a report pursuant to Resolve 2025, chapter 85 (L.D. 1246) regarding a working group review of the process for setting impact fees.[16] The report noted that "[n]o state agency or partner organization is tracking municipal adoption of impact fee ordinance;" however, "a review of available ordinances suggest the number is in the double digits." Among other recommendations, the working group recommended that a state agency or partner organization establish an inventory of municipalities across the state that have adopted impact fee ordinances.

[14] *See* City of Saco Code, Pt II, Ch. 230, Art. XIII at https://ecode360.com/38559792#38559792https://ecode360.com/38559792#38559792 and Impact Fees, City of Saco website at*:* *https://www.sacomaine.org/departments/code_enforcement/impact_fee_schedule.php*.
[15] *See* Development Impact Fee Ordinance, Chapter 415, Town of Scarborough website at: https://resources.finalsite.net/images/v1773258693/scarboroughmaineorg/scarboroughmaineorg/scarboroughmaineorg/bhriiaudzkeg3tmfda0r/415-Development-Impact-Fee-Ordinance.pdf.
[16] *See* https://legislature.maine.gov/doc/12267.

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September 15, 2026

Senator Nicole Grohoski, Co-Chair
Representative Ann Matlack, Co-Chair
Real Estate Property Tax Relief Task Force
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Dear Senator Grohoski and Representative Matlack,

This report is in response to your letter dated July 24, 2026, in which you, on behalf of the Real Estate Property Tax Relief Task Force, asked a series of questions about potential legal and constitutional issues that would impact the State's ability to impose property taxes differently based on property type or to authorize local option sales taxes. Set forth immediately below is a brief, high-level summary of the responses to your questions. A detailed response follows.

**1) Are there constitutional limitations or other legal issues that would impact the State's ability to establish split-rate real estate property taxes, split-roll real estate property taxes, or differing real estate property tax rates for homestead and non-homestead properties in the State?**

Yes. Article IX, §8 of Maine's Constitution provides that "all taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof." This is often referred to as the "just value" clause.

As discussed in Section 1.A of this report, "split-rate" and "split-roll" property tax systems involve either applying different tax rates to certain types of property, or adjusting assessment standards, valuation methods, or other items to ensure certain types of property will bear a disproportionate share of property taxation. A tax rate differentiation between homestead and non-homestead properties would have to be structured as either a split-rate or a split-roll system. As discussed in Section 1.B of this report, the courts have interpreted Article IX, §8 to mean that any such systems are, for all intents and purposes, prohibited under Maine's Constitution.

Adopting any approach that expressly involved not assessing property taxes equally according to just value would likely require amending Maine's Constitution. The constitutional amendment procedure is briefly discussed in Section 1.C.

2) **Are there constitutional limitations or other legal issues that would impact the State's ability to significantly increase the current homestead exemption**?

Potentially, but only in extreme cases. As discussed in Section 3 of this report, the answer to this question is not entirely clear. The legal status of the homestead exemption is not in doubt, and nothing in the Constitution mandates that it be set at a particular level. Therefore, adjusting it would certainly be possible. In theory, however, the homestead exemption could be restructured so that its effect was economically identical or near-identical to a system that would violate the "just value" provision. If such a proposal were adopted, it is difficult to predict whether a court would be inclined to look through the form of the system to its substance, let alone where the court might be inclined to draw lines. However, the Constitution's requirement that the State reimburse municipalities for newly-enacted property tax exemptions must also be borne in mind when considering such a program.

3) **Are there constitutional limitations or other legal issues that would impact the State's ability to authorize municipalities or counties to impose local option sales taxes?**

It is unclear. As discussed in section 4 of this report, the Legislature does not have the right to authorize additional or different local option *property* taxation programs. However, no cases have examined the question in the context of local option *sales* taxes, and the constitutional concerns are different. In 2019, the Attorney General issued an opinion on this subject, concluding, in pertinent part, that although Law Court decisions had noted the " 'strong and sweeping prohibition' against delegation of the legislature's power to tax," the application of that language to local option sales taxes is not clear, and that "certain bills authorizing municipalities to enact local option sales taxes may be upheld as a valid exercise of the Legislature's right to delegate [its taxing power] to municipalities." There have been no relevant cases or other developments that would change that analysis in the intervening years.

## 1. Constitutional Concerns regarding split-rate and split-roll relief.

### A. Property Tax Background and Definitions

The terms "split-rate" and "split-roll" do not have formal, legal definitions. They are better thought of as categories: general descriptions of strategies to achieve a policy goal. Both are designed to reduce the relative burden of property taxes on the owners of certain types of property—often residential—while proportionately increasing it on the owners of other types—typically commercial and industrial.

"Split-rate" systems accomplish this goal by applying different tax rates to different properties. For instance, Washington, D.C. uses a pure split-rate system: it taxes residential property at a low rate, commercial and industrial property at a significantly higher rate, and vacant properties at an even higher rate. Minnesota has a somewhat more complicated split-rate system, in which each property is assigned to a class (such as "homestead," "residential," "commercial" and "agricultural"), and each class has a statutory rate that converts market value into net-tax capacity. Then, the total assessable property is divided between the various categories of properties in proportion to the statutory rates; the result is that different classes of property will be taxed at different rates.

At first glance, "split-rate" systems would seem like an easy and popular method for jurisdictions to alter the burden of property taxation. However, "split-roll" systems appear to be the most common approach in states trying to accomplish property tax relief goals for residential homeowners. Such systems tax all property at the same *rate*, but values property differently depending on *type*. For instance, Utah provides that all residential properties are assessed at 55% of their actual fair market value, while all other properties are assessed at 100%. Applying different assessment ratios is economically similar, or even identical, to differential tax rates for residential versus other types of property.

From the standpoint of Maine's Constitution, the differences between "split-rate" and "split-roll" systems are largely meaningless, as will be explained in section 1.B of this report. They are different ways of achieving similar policy goals, and those policy goals are in fundamental tension with Maine's Constitution.

For instance, you have asked about different rates on homestead versus non-homestead properties. In theory, this could be accomplished as a split-rate system (the value of homestead properties would be multiplied by a lower rate than the value of non-homesteads) or as a split-roll system (homesteads could be valued at lower than fair market value, and non-homesteads would be valued at their full value). Both structures would be prohibited by Maine's Constitution.

B. **Constitutional Concerns**.

**i. Article IX, §8.**

Article IX, §8 of the Maine Constitution provides, in pertinent part, that:

"All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof."

Subsequent provisions of the Maine Constitution provide special exceptions for particular classes of property, including intangible personal property (power to levy a tax "at such rate as [the Legislature] deems wise"), and the "current use valuation" provisions for qualifying farms and timberlands, open space, and working waterfront lands. Because these types of property are specifically exempted from the general rule, "roll-splitting" is allowed with respect to them. For instance, the premise of the working waterfront program is that qualified working waterfront properties should be taxed based on their value to fishing operations, rather than their highest and best use—their "just value," in the terms of Article IX. However, there is no provision in the Maine Constitution expressly permitting the Legislature to apply anything but the "just value" standard to residential property.

The courts have consistently interpreted this provision to require that the same property tax rates apply to all taxable property in the jurisdiction, and the basis for taxation be fair market value. The leading case on the subject, *Brewer Brick Co. v. Brewer*,[1] involved a scheme by which the Town of Brewer exempted from property taxation a newly-constructed factory. The Supreme Judicial Court ruled this violative of Article IX §8, in part because:

> it cannot for a moment be admitted that the constitution authorizes an unequal apportionment and assessment upon real and personal estate, without reference to its 'just value,' 62 Me. 62, 73.

It continued that:

> The legislature may determine the amount of taxation and select the objects. They may exempt by general and uniform laws certain descriptions of property from taxation, and lay the burden of supporting government elsewhere. But while there are no limits in the amount of taxation for public purposes, nor the subject matter upon which it may be imposed, the requirement that it shall be uniform and equal upon the valuations made is universal," *id*. at 74.

A system applying different rates would not meet the requirement that tax "be uniform and equal upon the valuations made" if different rates are applied.

In an *Opinion of the Justices* dated May 5, 1959, the Supreme Judicial Court concluded that a system that would have taxed forestland according to the value of harvested timber in a given year, instead of the value of the land itself, would be deemed unconstitutional. The Justices explained that "the purpose of [the just value clause] is to equalize public burdens so that the taxpayer shall contribute to the entire tax burden in proportion to his property," 155 Me. 30, 47. That being the case, "[w]hile the Legislature in its wisdom has the authority to exempt from taxation by uniform laws any particular class of property, it does not have the authority…to provide for one mode of assessment as to one class of property and another mode as to another class," *id*. This prohibition extends to the municipal and county levels as well; localities may not assess property taxes based on anything other than just value, any more than Maine may.[2]

As discussed in Section 1.A. above, it is the nature of a split-roll tax system "to provide for one mode of assessment as to one class of property and another mode to another class." Therefore, there is a direct and irreconcilable conflict between the goals of any split-roll system and the provisions of Article IX, §8. Any system that accomplished the same goals by using different rates would be equally impermissible.

ii. **Article IV, §23.**

Another constitutional provision that must be considered in this context is Article IV, §23, which provides that "the Legislature shall annually reimburse each municipality from state tax

[1] 62 Me. 62, 1873; see also *Delogu v. City of Portland,* 2004 ME 18, 843 A.2d 33.

[2] *Brewer Brick Co. v. Brewer*, 62 Me. 62, 74-75 (1873). The unique considerations applicable to local option taxes are considered in Part III, below.

sources for not less than 50% of the property tax revenue loss suffered by that municipality during the previous calendar year because of the statutory property tax exemptions or credits enacted after April 1, 1978." This provision is not directly relevant to the permissibility of split-rate or split-roll tax systems, but it is worth keeping in mind, because any change that resulted in an exemption from tax of a portion of the value of certain types of property would need to be closely analyzed to determine whether it would trigger reimbursement requirements under §23. The amount of reimbursement due would be proportional to the amount of relief given, meaning the cost to the state from any such system could be considerable.

### C. Constitutional Amendment.

Although split-roll and split-rate systems would currently be impermissible under Maine's Constitution, a constitutional amendment allowing different treatment for residential property, for instance, would make it possible to adopt some sort of split taxation system. It would also be possible to amend the constitution to clarify the application of any municipal reimbursement requirement.

Any process to amend the State Constitution for this purpose should carefully consider the phrasing of any such change to ensure it properly addresses the desired policy objective on permission/rejection of split-roll or split-rate approaches at not just the State level, but the municipal and county levels as well.

The full process for amending Maine's constitution is beyond the scope of this report, but the outlines are laid out in Article X, §4, which requires the Legislature, by 2/3 vote of both houses, to propose constitutional amendments, which must then be sent to the voters in the next November election at which Senators and Representatives are elected, for ratification by majority of those voting.

## II. Increasing the Homestead Exemption.

The court in *Brewer Brick Co. v. Brewer* summarized the power of the Legislature to create statutory property tax exemptions as follows:

> The legislature may determine the amount of taxation and select the objects. They may exempt by general and uniform laws certain descriptions of property from taxation, and lay the burden of supporting government elsewhere," 62 Me. 62, 74.

For instance, it is uncontroversial that the Legislature may entirely exempt from taxation property of benevolent and charitable institutions[3] and property owned and used for public benefit,[4] as well as personal property ranging from industrial inventories to radium used in medicine to particular types of solar energy equipment.[5] The Legislature may also *partially*

[3] 36 M.R.S.A. 652.1.
[4] 36 M.R.S.A. 651.1.
[5] 36 M.R.S.A. 655.1 A-V.

exempt certain classes of property from property taxation; it has traditionally done so for certain property owned by veterans and blind people, for instance.[6]

This is the basis for Maine's current homestead exemption, which exempts from property taxation up to the first $25,000 of the just value of homesteads owned by permanent residents of Maine for the preceding 12 months. Note that the homestead exemption is not limited to taxpayers of particular income levels, houses worth less than or in excess of a particular amount, or houses that have been inhabited for more or less time (aside from the 12-month residency requirement). It is simply a flat, blanket exemption—an exercise in defining what property is and isn't taxable—which applies the same way to all similarly situated Maine taxpayers.

There are no cases or other authorities finding that the precise amount of the homestead exemption is constitutionally significant. A $25,000 limit for the homestead exemption is no more or less defensible than a $10,000 or $50,000 limit would be. Thus, the theoretical limit to the Legislature's authority to increase the amount of the exemption is unclear; a court would likely conclude that it would be a legitimate use of the legislative power to fully exempt homesteads from property taxation, just like churches and solar equipment are exempted.

At a certain point, it is possible to imagine changes to the homestead exemption that would have the same economics as policies which would clearly violate the "just value" clause. For instance, if the Legislature were to exempt "the first 50% of the value" of homesteads from taxation, the result would be mathematically indistinguishable from a split-roll system which said that homesteads should be assessed at 50% of their fair market value. Courts have considerable authority to review the substance, rather than the purported form, of exemptions;[7] if the Legislature were to change the homestead exemption to exclude a specific percentage of homestead value, rather than a flat amount regardless of value, constitutional concerns would certainly arise.

Mathematically, exempting a given percentage of the value of homesteads is identical in effect to assessing homesteads at a given (discounted) percentage of home value. Article IX, §8 expressly prohibits the latter; it would be difficult to conclude that it permits the former. On the other hand, the homestead exemption itself has similar, although not identical, mathematical results; exempting the first $25,000 of value of a homestead shifts the burden of taxation from owners of homesteads to owners of non-homestead property, and also shifts the relative burden of taxation among homestead owners slightly in the direction of high-value homestead owners, because a significantly lower percentage of the value of high-value homes is exempted. Furthermore, the homestead exemption, structured to provide a flat reduction to the assessed

[6] 36 M.R.S.A. 653, 654-A**.** There may be federal constitution considerations that should inform some particular formal framing of property tax exemptions, *see, e.g.*, *Camps Newfound/Owatonna, Inc. v. Town of Harrison* (US 1997).

[7] *See e.g. Delogu v. City of Portland*, 2004 Me. 18 (2003) (a system where the full tax is assessed and collected, but then a portion is immediately rebated to certain taxpayers is no different from a system where those taxpayers are taxed at a lower rate).

value of Maine homesteads, has existed in roughly its current form since 1998,[8] and dating to the genesis of the current property tax system in 1845 (when Maine switched from a property tax imposed only on a narrow range of specified types of property to a general tax on all but specifically-exempted real and personal property) the property tax has recognized exemptions for a set dollar amount of certain types of property.[9]

There is some tension between the existence of the homestead exemption and the constitutional requirement of equal assessment according to just value. In 2005, Senator Nass and Representative Tardy asked the Attorney General for an opinion regarding certain features of a recent change to the homestead exemption statute.[10] That law created a new, tiered homestead exemption system, under which the amount of the homestead exemption depended on the value of the home; for homes worth less than $125,000, up to $7,000 would be excluded; $5,000 for homes worth $125,000 or more, but less than $250,000, and up to $2,500 for homes worth $250,000 or more.

The questions presented focused on various issues relating to effective dates and transitional matters, and are therefore not directly relevant here. However, in answering the question "will a commitment based on the new homestead exemption and made after the effective date of [the new legislation] be valid?" the Attorney General affirmed that "basing a commitment made after that effective date on the new exemption does not appear to raise any issue of statutory authority."[11] The opinion did not expressly consider whether the concept of a tiered system raised constitutional concerns.

There is no authority clearly indicating how a court would resolve such a challenge.[12] However, the existing authorities suggest that changing the dollar amount of the homestead exclusion (or even excluding homesteads entirely) would be permissible, but doing so in a way that replicated an impermissible splitting of the rolls by reducing a percentage of the value of homesteads would be impermissible.

Rhode Island recently enacted a new, state-level tax on homes that are not owner-occupied and are valued at above $1,000,000.[13] Commonly called the "Taylor Swift tax," the tax contains some features that would appear to raise concerns under Maine's "just value" provision, but exploring program design choices in the Rhode Island law can offer some insights into what might and might not be possible under Maine's constitutional system.

The new Rhode Island tax applies only to second homes with a value in excess of $1,000,000. Constitutionally, that means that not all similar properties are assessed equally. If

[8] P.L. 1997, c. 643, §HHH3. Interestingly, in 1989 the Legislature enacted a predecessor to the homestead exemption, which exempted "up to 5%" of the first $45,000 in value of homesteads, P.L. 1989, c. 534, §B1. That law was repealed in 1991, P.L. 1991, c. 15.

[9] Clifford Goodall and Seth Goodall, *Property Tax: A Primer and a Modest Proposal for Maine*, 57:2 Maine L.R. 586, 588 (citing Fred Jewett, *A Financial History of Maine,* 112, 120 (1968). The initial 1845 version exempted household furniture to the extent of $200 per family.

[10] P.L. 2005, ch. 2, Part F.

[11] Op. Me. Att'y Gen. 05-3, 4 (Mar. 24, 2005).

[12] It is worth remembering that any such system would trigger an increased reimbursement requirement under Article X §23.

[13] R.I. Gen. Laws Ch. 44-72.

Maine lawmakers wanted to steer more towards the Legislature's broad exemption power, consideration should be given to drafting the tax such that it would simply exempt from taxation entirely the first $1,000,000 of every Maine home's value.[14] As discussed above, it is not clear how a Maine court would navigate the tension between the "just value" requirement and the broad exemption authority. Ultimately, the limits of the Legislature's power to exempt classes of property from property taxation have not been explored, and it is difficult to predict how a court would conclude on close review of the issue.

## III. Local Option Sales Tax

Finally, you have asked us to consider the legality of a possible local option sales tax program at the municipal level. Sales tax is an "excise tax," a tax on the act of using some public resource or taking some action—driving on motorways, or buying and selling goods and services, for instance—and taxation of property has some unique features that don't apply to other sorts of taxes. It is not clear whether those unique features would cause a court to view a local option sales tax differently from a local option property tax.

There is no question that Article IX, §8 makes a local option *property* tax constitutionally impossible[15]. Whether and to what extent the same could be said of a local option sales tax is not without doubt.

In 1963, the Legislature asked the Justices of the Supreme Judicial Court for their opinions about a bill that would have granted the City of Portland the right to impose various sorts of local option taxes other than property taxes. The Justices held[16] that a local option sales tax would likely be possible. In reviewing the provisions of the bill, the Justices said that such a scheme would not be allowed for property taxes, but that 'the Legislature may constitutionally grant a municipality the right to one sole municipality to levy…*excise, business, occupational,*

[14] Simply exempting the first million dollars in homestead value would reduce the relative property tax burden of homestead owners relative to other types of property. It would *not* raise additional revenue. Rhode Island intends for this tax to generate new property tax revenues, *see* Billy Hamilton, "*The Story Behind Rhode Island's 'Taylor Swift Tax*,', 117 Tax Notes State 863 (September 29, 2025). To accomplish this objective, Rhode Island structured its tax as a property tax surcharge, administered by and payable to the state, rather than the locality where the property is located. An equivalent structure in Maine would involve continuing to administer the property tax system generally as it is, but creating a new, theoretically separate, state-level property tax, which exempts all categories of property other than residential property. Then a new homestead exemption would be created for that surtax, exempting the first $1,000,000 of value from the surtax. In such a circumstance, the Legislature would have (a) created a new property tax, (b) *not* delegated its administration to localities, (c) exempted from the tax all properties other than non-owner-occupied residences, and (d) exempted the first million dollars of value of non-owner-occupied residence value from tax. In theory, each of those steps, individually, would likely be constitutionally acceptable. However, collectively they would create the economics of a single system that did not meet the constitutional requirement of apportioning and assessing tax equally according to just value. It would only work if the two taxes were indeed treated as separate and unrelated, and it is not clear that a court analyzing the structure would respect that distinction. Opponents would likely argue that a system that would be unconstitutional if administered as part of the existing property tax system could not be rendered constitutional merely by splitting the administrative burden between the state and municipalities differently and calling them separate taxes.

[15] *See generally Brewer Brick, supra*; *cf* Op. Me. Att'y Gen. (2019-01) (March 19, 2019).

[16] *Opinion of the Justices*, 159 Me. 420, 421-22 (*emphasis in original*). Opinions of the Justices rendered under Article VI, §3 of the Maine Constitution, are not binding decisions of the Court and have no precedential value, *Opinion of the Justices*, 396 A2d 219, 223.

*gross receipts and gross business income taxes*." The reasoning was that although the Legislature cannot suspend or surrender the power of taxation, it may delegate a portion of it to municipalities, and there was no constitutional provision prohibiting the delegation of power over those sorts of tax.

The Attorney General prepared an opinion letter to Senator Chipman and Representative Tipping examining these and related questions in 2019. A copy of that letter is attached as Appendix I. It thoroughly examined the cases and opinions relevant to the ability of the Legislature to impose a local option sales tax. In that opinion, the Attorney General emphasized the considerable uncertainty, but interpreted the 1963 Opinion of the Justices to suggest that "certain bills authorizing municipalities to enact local option sales taxes may be upheld as a valid exercise of the Legislature's right to delegate [the power of taxation] to municipalities.[17]" We do not disagree with that reasoning or analysis.

cc. Elaine Clark, Commissioner of the Department of Administrative and Financial Services
Jerome Gerard, Executive Director, Maine Revenue Services
Anya Trundy, Deputy Commissioner and Legislative Operations
John Burke and Phyllis Gardiner, Office of the Attorney General
Rachel Olson, Lindsay Laxon, and Jessica Griswold, OPLA staff

[17] Op. Me. Att'y Gen. (April 24, 2019), Page 3.

APPENDIX

Attorney General's 2019 Letter to Senator Chipman and Representative Tipping.

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April 24, 2019

Senator Benjamin M. Chipman
Representative Ryan Tipping
100 State House Station
Augusta, ME 04333-0100

RE: LD 609, "An Act to Provide Municipalities Additional Sales Tax Revenue from Lodging Sales," and LD 1254, "An Act to Authorize a Local Option Sales Tax on Meal and Lodging and Provide Funding to Treat Opioid Use Disorder"

Dear Sen. Chipman and Rep. Tipping:

You have asked whether our office has any concerns regarding the constitutionality of LD 609, "An Act to Provide Municipalities Additional Sales Tax Revenue from Lodging Sales," and LD 1254, "An Act to Authorize a Local Option Sales Tax on Meal and Lodging and Provide Funding to Treat Opioid Use Disorder," with regard to three areas (1) Article IX, Section 9 of the Maine Constitution; (2) the Commerce Clause of the United States Constitution; and (3) the Municipal Home Rule provision of the Maine Constitution.

We have not located any reported court decision specifically addressing the legal issues you raised regarding these bills. A court's views regarding the validity of any particular bill will turn on the specifics of the bill ultimately enacted by the Legislature as well as the specific facts and circumstances regarding the seller(s) challenging the bill and the sales at issue. In 1990, Deputy Attorney General Cab Howard issued advice that the Legislature would not surrender the power of taxation under Article IX, Section 9 of the Maine Constitution by enacting a bill that would authorize counties to hold a referendum to determine whether a county sales tax, in addition to the State sales tax, would be imposed on the sale of goods and services in that county. We have attached a copy of that letter.

1. <u>Article IX, Section 9</u>. You asked about the bills' potential conflict with Article IX, Section 9, of the Maine Constitution, which provides: "[t]he Legislature shall never, in any manner, suspend or surrender the power of taxation." The Law Court has repeatedly "construed this language as creating a 'strong and sweeping prohibition' against delegation of the legislature's power to tax.'" *Delogu v. City of Portland*, 2004 ME 18, ¶

40, 843 A.2d 33 (internal quotations omitted) (Levy, J., concurring part and dissenting in part). The Law Court also has emphasized that:

> [t]axation is legislative. What money shall be raised by taxation, what property shall be taxed, what exempted, rests exclusively with the Legislature to say, without any limitations, except such as are imposed by express constitutional provision.

*Greaves v. Houlton Water Co.*, 143 Me. 207, 211, 59 A.2d 217, 219 (1948).

In addition, in 2004 in *Delogu v. City of Portland*, the Law Court analyzed its 1873 decision in *Brewer Brick Co. v. Inhabitants of Brewer*, 62 Me. 62 (1873), and stated in dicta that "the Legislature could not delegate the power to choose to tax or choose to exempt to municipalities." *Delogu*, 2004 ME 18, ¶ 26, 843 A.2d 33. Both *Brewer Brick* and *Delogu* involved property taxes, however, and the opinion in *Delogu* was joined by only three members of the Court (a two-Justice majority opinion and a concurring/dissenting opinion from a third Justice). Thus, it is not clear whether and to what extent that statement from *Delogu* would apply to bills authorizing municipalities to enact local option sales taxes.

Notwithstanding *Delogu* and *Brewer Brick*, a court may well conclude that LD 1254 does not "surrender" the power of taxation, but merely delegates that power to municipalities. In a 1963 Opinion of the Justices, the Justices answered certain questions regarding a bill pending before the House of Representatives, "An Act Amending the Charter of the City of Portland Relating to Imposition of a General Business and Occupation Tax" (H. P. 1094) (LD 1569). *Opinion of the Justices*, 159 Me. 420, 191 A.2d 627 (1963). That bill would have allowed the Portland City Council to have the power by ordinance

> to levy and impose a tax upon persons carrying on or exercising for gain or profit within the City of Portland any trade, business, profession, vocation or commercial activity, imposed generally or upon selected types or classes thereof, measured by the gross receipts or gross income from such activities carried on either permanently or temporarily within the city, but not to exceed 1% of such gross receipts. Such tax, when imposed, shall be in place of all taxation, except excise taxes, levied by the City of Portland on the personal property of persons subject to such tax.

*Opinion of the Justices*, 159 Me. at 421-22, 191 A.2d at 629-30.

Question 1 asked whether the Legislature may grant the right to one municipality to levy a tax by ordinance when such right is not granted to all other municipalities. The Justices answered that question in the affirmative as to certain types of taxes. The Justices stated that the Legislature may not constitutionally grant to a municipality the right to levy by ordinance a tax on real or personal property, but that "the Legislature may constitutionally grant the right to one sole municipality to levy by ordinance reasonable and unoppressive *excise, business, occupational, gross receipts and gross business income taxes* when such right is not granted at the same time to all other municipalities in the State." *Opinion of the Justices*, 159 Me. at 424-25, 191 A.2d at 630-31 (emphasis in original).

The Court reasoned that:

> The position that the power of taxation belongs exclusively to the legislative branch of the government, no one will controvert. Under our system it is lodged nowhere else. But it is a power that may be delegated by the legislature to municipal corporations, which are merely instrumentalities of the State for the better administration of the government in matters of local concern …

*Opinion of the Justices*, 159 Me. at 426, 191 A.2d at 631.

Question 2 then asked whether the Legislature may "grant the right to a municipality to levy a tax upon persons carrying on or exercising within such municipality any trade, business, profession, vocation or commercial activity measured by the gross receipts or gross income from such activities." The Justices answered that question affirmatively. *See Opinion of the Justices*, 159 Me. at 427-28, 191 A.2d at 632. The Justices reasoned that no constitutional provision plainly prohibited it. *Id.*

Thus, the 1963 Opinion of the Justices suggests that certain bills authorizing municipalities to enact local option sales taxes may be upheld as a valid exercise of the legislature's right to delegate that power to municipalities. A Maine court's views regarding the validity of any particular bill will depend on the specifics of the bill ultimately enacted.

2. Commerce Clause; *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (2018). In 2018, the Supreme Court of the United States abandoned any requirement under the Commerce Clause of the United States Constitution that sellers have a "physical presence" in a state in order for that state to require the seller to collect and remit sales or use tax on sales made into that state. *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080, 2098-99 (2018). The Supreme Court jettisoned the so-called "physical presence" rule because it was "unsound and incorrect." *Id.* at 2099. The Court explained that "other aspects of the Court's Commerce Clause doctrine can protect against any undue burden on interstate commerce, taking into consideration the small businesses, startups, or others who engage in commerce across state lines." *Id.* at 2098-99. The Court remanded the case to the South Dakota Supreme Court for consideration of any remaining claims regarding application of the Commerce Clause. *Id.* at 2100.

Your letter asked whether the Commerce Clause would interfere with local sales taxes authorized by these bills due to the sales tax complexity that might result. In light of the Supreme Court's decision in *Wayfair*, we believe that a court's views as to whether the Commerce Clause would invalidate a bill authorizing a municipality to enact a local option sales tax on meals and lodging will depend not only on the specifics of the bill ultimately enacted, but also the specific facts and circumstances regarding the seller(s) challenging the bill and the sales at issue. It is difficult to say more about this issue at this point in time.

3. Home Rule. Article VIII, Part Second, Section 1 of the Maine Constitution provides that the "inhabitants of any municipality shall have the power to alter and amend their charters on all matters, not prohibited by Constitution or general law, which are local and

municipal in character. The Legislature shall prescribe the procedure by which the municipality may so act."

Your letter asked whether this provision in the Maine Constitution would permit municipalities to adopt a local option sales tax on meals and lodging even without action by the Legislature. In light of Article IX, Section 9, we believe that express legislative authorization is required for a municipality to adopt a local option sales tax on meals and lodging.

Conclusion. I hope that this information is useful. Please let me know if you have further questions.

Sincerely,

Aaron M. Frey
ATTORNEY GENERAL