

Maine Real Estate Property Tax Task Force

*Phase 3 Presentation to Task Force, 21 Oct 2026
Augusta, Maine*

Today's Presentation

Before Lunch

1. **Time Trends:** *updated*
2. **Relief Scenario Modelling:** *data, model, limitations, validation*
3. **Results by Scenario**
4. **Results by Archetype**

After Lunch: *Task Force discussing approaches to relief, available for Q&A*

Property Tax Landscape in Maine

Trends over time - an update

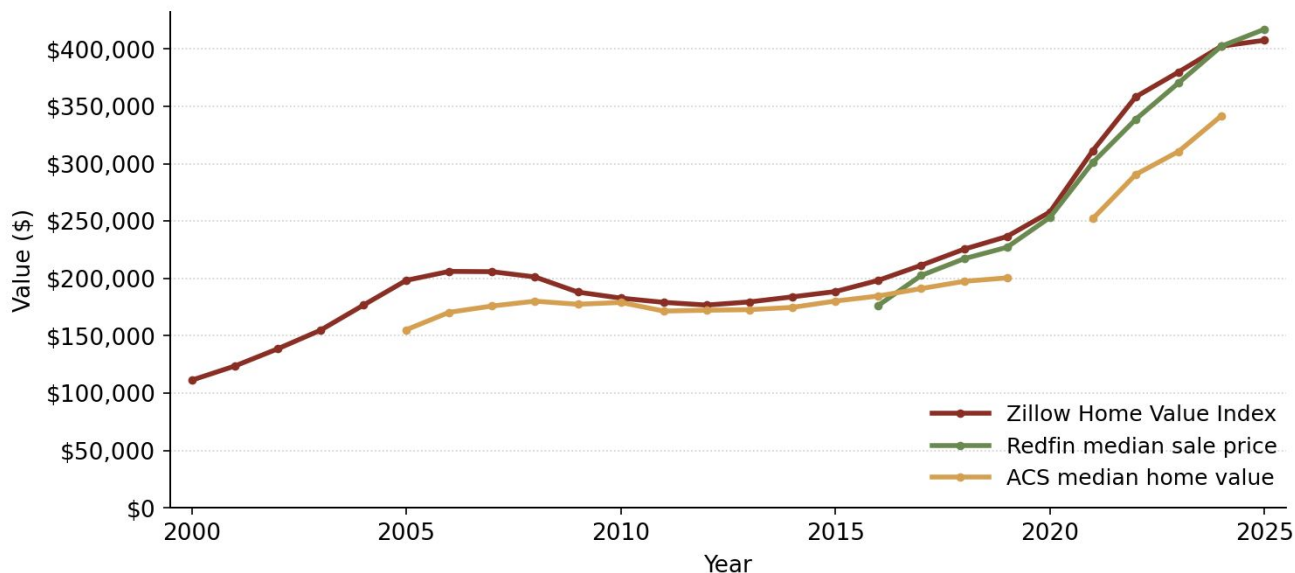
- MVR → to 2025
- 1-year ACS estimates → to 2024
 - Including 6 counties
 - 2025 published end of October

Median Residential Property Values

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

- Post-COVID doubling
- Tapering off?
- But do higher property values inherently mean higher property taxes?

Maine property values, 2000-2025

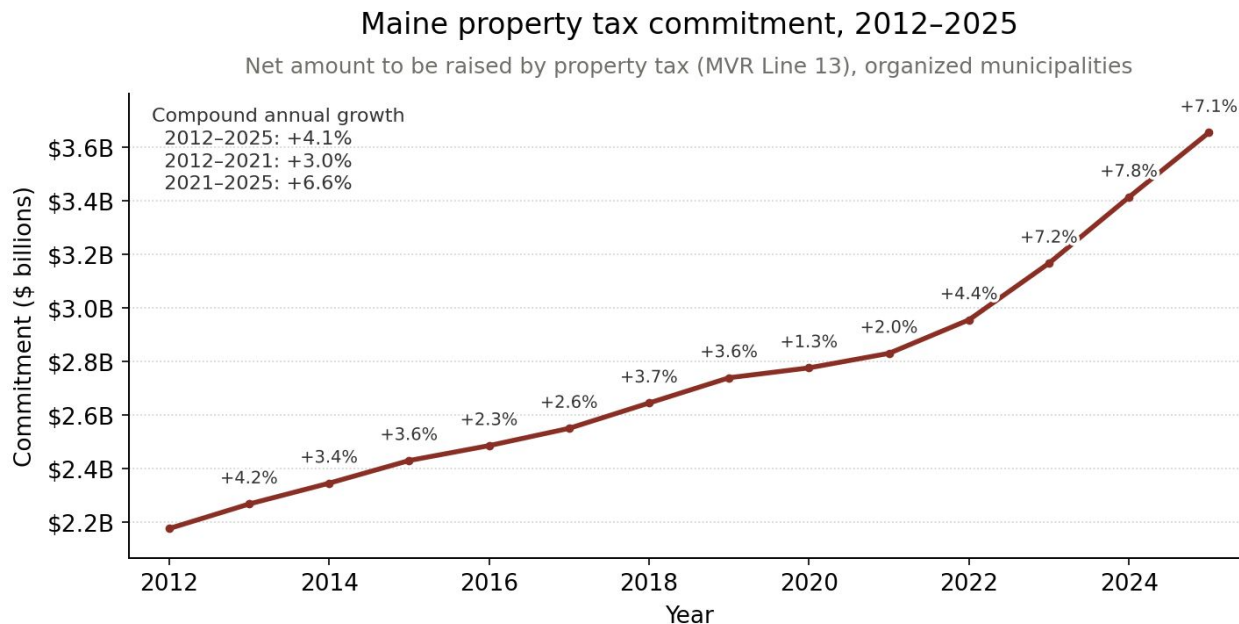


Sources: Zillow ZHVI (all homes, mid-tier); Redfin Data Center (all residential, NSA; from 2016); ACS 1-year B25077. ACS 1-year estimates: none published for 2020 (due to covid) and 2025 (to be published end-Oct 2026).

Total Commitment

RQ: How have property taxes been trending over time in Maine?

- Steady growth in property tax appropriations pre-COVID
- Rapid growth post-COVID
- Continued through 2025



Source: Maine Revenue Services, Municipal Valuation Returns 2012-2025, Line 13. Labels show the change from the prior year.

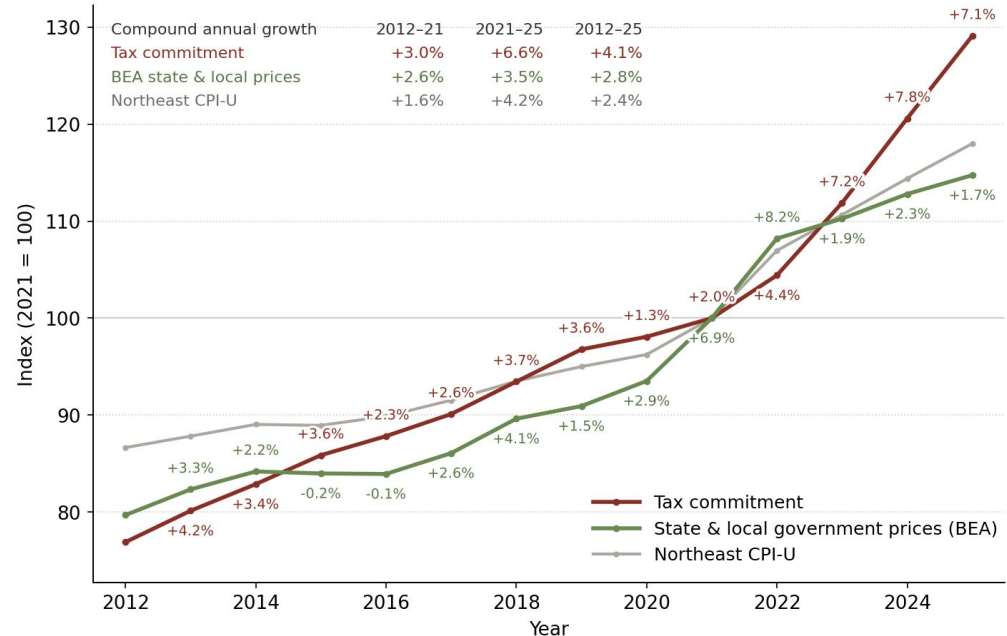
Total Commitment

RQ: Has rapid post-COVID growth in government spending caused property taxes to spike?

- New deflator: BEA state & local price index
- Steady growth in property tax appropriations pre-COVID
- Rapid growth post-COVID
 - Inflation in 2020-2023
 - Commitment outrunning inflation 2024-2025

Maine property tax commitment vs. inflation, 2012-2025

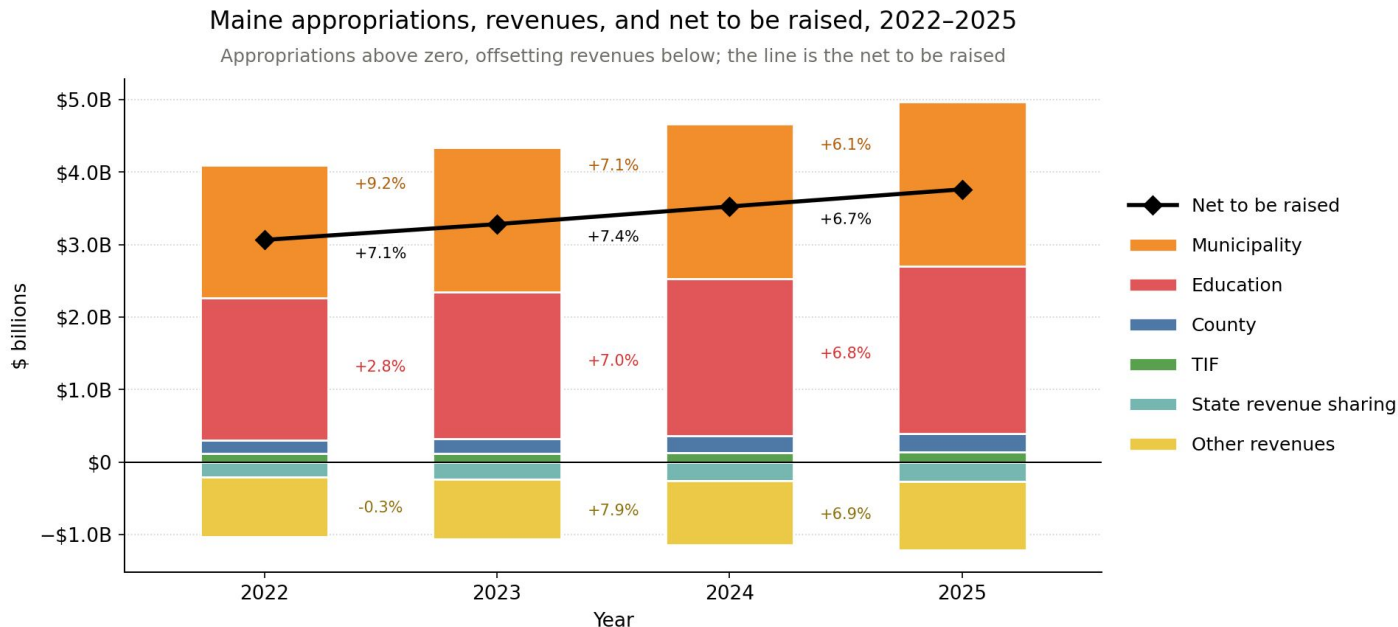
All series indexed to 2021 = 100; labels show the change from the prior year



Total Commitment

RQ: Has rapid post-COVID growth in government spending caused property taxes to spike?

- Municipalities drove 2022-2023 increase
- 2023-2025: municipalities and schools

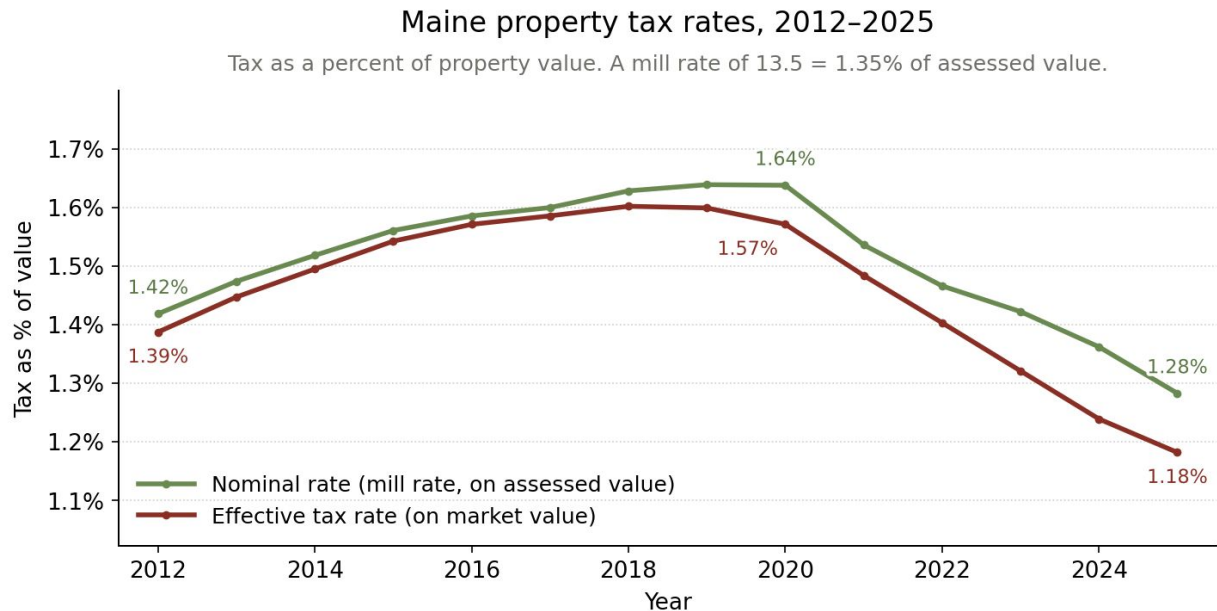


Source: MRS Municipal Valuation Returns, Tax Rate Calculation Form (TRCF) Lines 7-15, organized municipalities; reported from 2022 only. Labels show the change from the prior year. Net to be raised (TRCF Line 15) = appropriations – revenue sharing – other revenues; it is met by the property tax commitment plus state homestead and BETE reimbursements, less overlay.

Tax Rates

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

- Tax rates declining since COVID: property values rising faster than appropriations



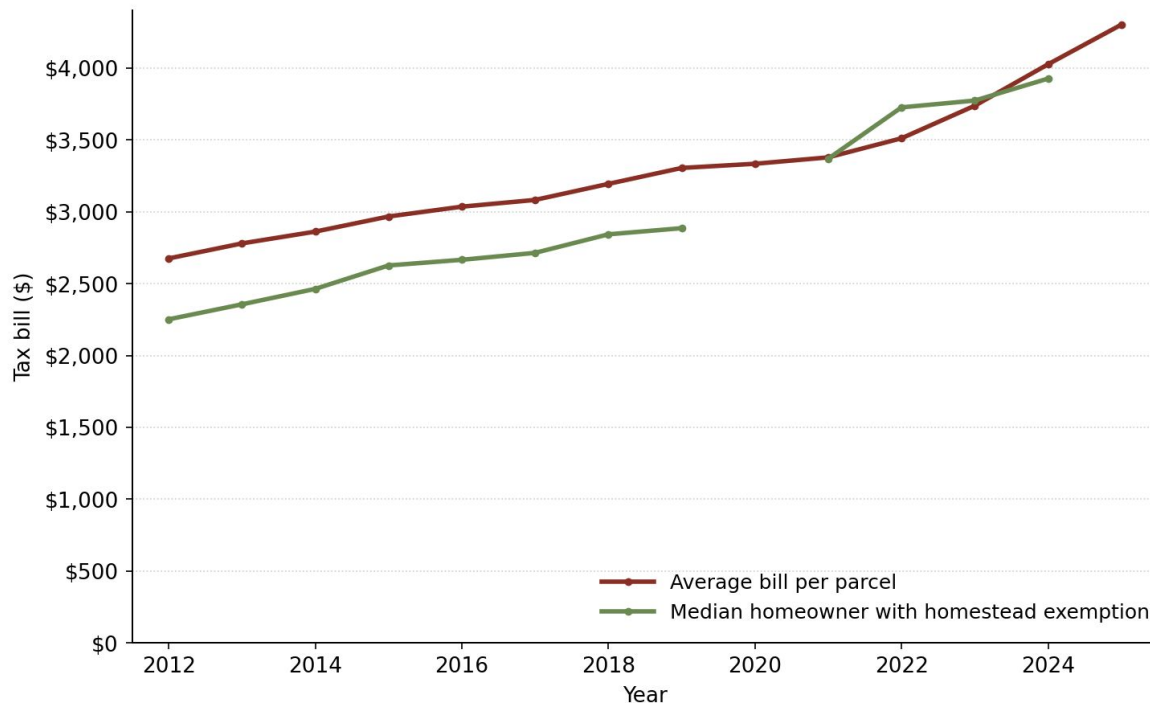
Nominal rate = commitment ÷ taxable (assessed) value. Effective rate = commitment ÷ market value, where market value = taxable value ÷ certified ratio, by municipality. Source: MRS Municipal Valuation Returns.

Tax Bills

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

Maine property tax bills, 2012-2025

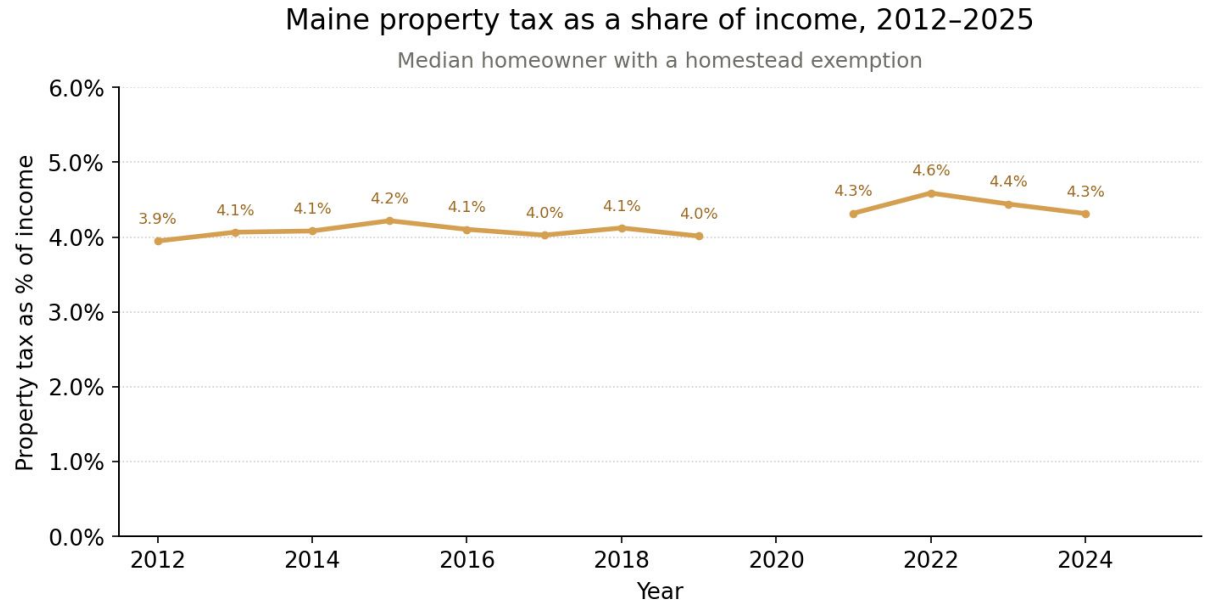
- Steady growth pre-COVID
- Faster post-COVID
- 2025 data coming end of October



Property Taxes as a Share of Income

RQ: Have property taxes been increasing relative to incomes in Maine?

- For typical Maine homeowner, property taxes have remained a fairly stable share of income
- Level-shift from 4.1% pre-COVID to 4.3% post-COVID
- Pending 2025 data



Tax = (ACS 1-year median owner-occupied value – homestead exemption in force that year) × effective tax rate.
Income = ACS 1-year median household income of owner-occupied households (B25119).
ACS 1-year estimates: none published for 2020 (due to covid) and 2025 (to be published end-Oct 2026).

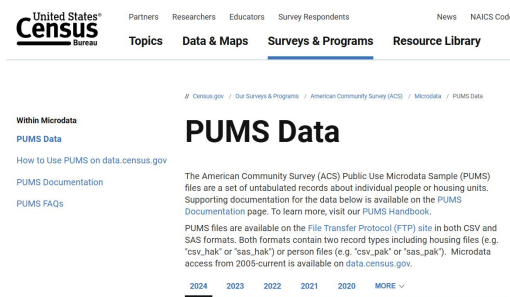
Relief Program Modelling

Model, Scenarios, Archetypes

The Model

- Household-level microsimulation model
- Relief formulas applied household by household
- Calibrated against state & municipal revenues
 - Accounts for take-up
- Enables fine-grained scenario design
- Detailed results (by household, type, decile, area, etc)

The Core Data: Census Household Survey (PUMS)



ONE SURVEY RECORD

Individual level – no name, no address

Age

Income

Homeowner/Renter

Property tax payment

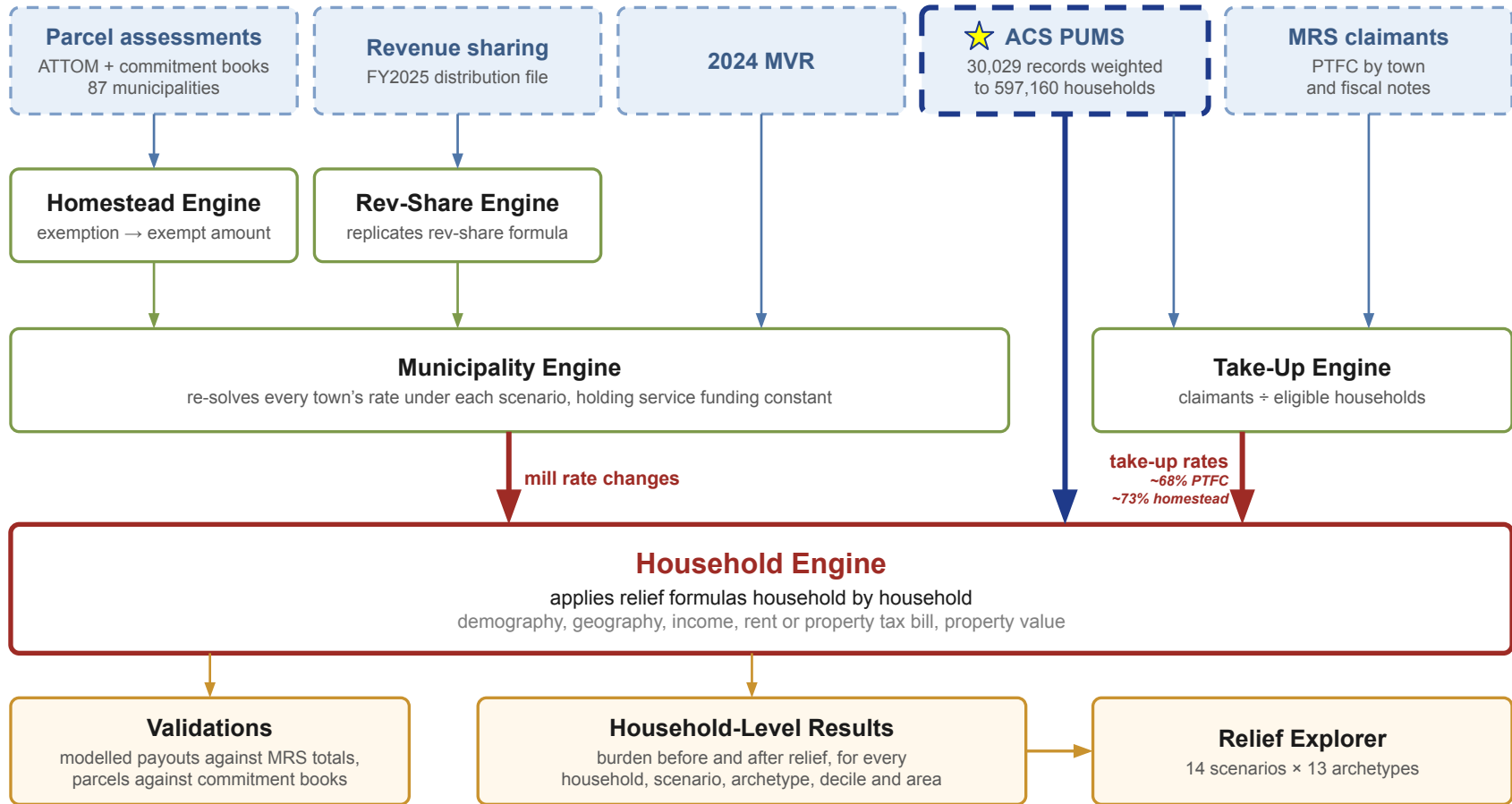
Region

× 30,029
records



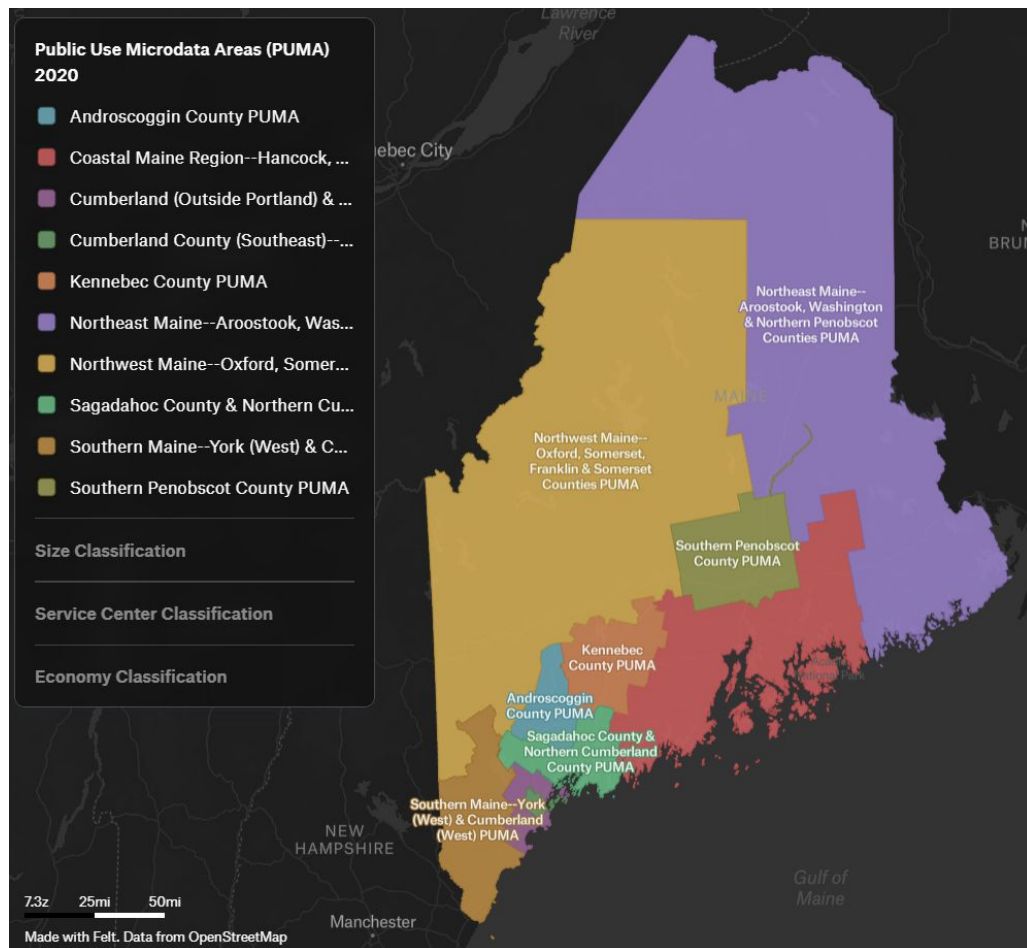
weighted

597,160
Maine households



Geography

- PUMS uses 10 Public Use Microdata Areas (PUMAs).
See [Felt map](#)
- Model assumptions applied at PUMA level (uptake, mill rates)
- Explorer summaries for four regions
 - Southern Coast
 - Greater Portland
 - Service Center Regions
 - Rural Maine



Key Limitations

- **Model Vintage:** Survey 2020–2024, adjusted to 2024 dollars. Model calibrated on 2024, then parameters adjusted to reflect 2026 baseline.
- **Self-reported answers:** Survey respondents overstate property values.
- **Mill rate changes averaged to PUMA-level:** Changes to tax base have a larger effect where property values are lower. Homestead uptake somewhat offsets.
- **Fixed take-up rates:** Fairness Credit uptake is fixed, even where it is drastically expanded. Might not be incorrect.

Validation - Sample Snapshot

MEASURE	MODEL	SOURCE	COMPARED WITH	DIFF
Households	597,160	597,159	Census QuickFacts	+1
Households with a person under 18	23.6%	23.7%	Census table DP02	-0.1 pp
Households with a person 65 or over	36.8%	36.7%	Census table DP02	+0.1 pp
Median household income	\$73,463	\$74,733	Census QuickFacts	-1.7%
Median owner-occupied home value	\$290,000	\$296,600	Census QuickFacts	-2.2%
Median owner-occupied home value	\$290,000	\$294,000	Assessment records 73,800 homestead parcels	-1.4%
Mean property tax, owner-occupiers	\$3,580	\$3,690	2024 MVR, implied all owners against enrolled homesteads	-3.0%

Validation - Current Relief Spending

MEASURE	MODEL	SOURCE	COMPARED WITH	DIFF
Homestead Exemption reimbursement	\$85.4m	\$85.1m	DAFS, FY2025 estimated independently of the model	+0.3%
Property Tax Fairness Credit	\$114.9m	\$110.0m	DAFS forecast, FY2025	+4.5%
Property Tax Fairness Credit	\$114.9m	\$113.1m	MRS returns by town, Nov 2025 same 134,245 claimants	+1.6%
Property Tax Fairness Credit	\$114.9m	\$117.5m	MRS to the Task Force, Sep 2026 later extract, catches amended returns	-2.2%

Validation - Fiscal Notes

MEASURE	MODEL	MRS	CHANGE COSTED	DIFF
LD 2212, as enacted maximum credit under 65: \$1,000 → \$1,500	\$9.4m	\$9.5m	MRS, April 2026	-1.2%
Scenario 1 prototype exemption to \$35,275, reimbursement held at 76%	\$35.2m	\$34.4m	MRS, Sep 2026	+2.5%
Scenario 3 prototype exemption to \$52,500, reimbursement cut to 50%	\$36.8m	\$34.3m	MRS, Sep 2026	+7.3%
Scenario 5 prototype maxima to \$3,000 and \$4,000, threshold 4.0% → 3.7%	\$32.6m	\$29.4m	MRS, Sep 2026	+10.8%
Scenario 6 prototype maxima to \$2,250 and \$3,000, benefit bases +17.3%	\$34.4m	\$32.2m	MRS, Sep 2026	+6.8%

Policy Scenarios

14 changes to today's relief, in two groups

\$35 million of new State spending

8 scenarios

Homestead exemption

S1 A larger exemption

S2 Reimburse towns 100%

S3 Reimburse 50%, much larger exemption

Fairness Credit

S4 Higher benefit bases

S5 Higher maximum credit

S6 Both

Property tax ceiling at 6% of income

S7 Households 65 and over

S8 All ages

Revenue-neutral reallocation

6 scenarios: no new State money

End a State payment to towns, grow the Fairness Credit

S9 Revenue Sharing I

S10 Revenue Sharing II

S11 Homestead reimbursement cut to 50%

S12 Homestead reimbursement ended

S13 All three

Replace all of today's relief

S14 Homestead Plus

Household Archetypes

Common types of Maine households, in two sets

6 REPRESENTATIVE ARCHETYPES

every Maine household falls in one

R1 Families with dependents

117,000 households

R2 Older owners, income \$45k+

102,000 households

R3 Working-age owners, income \$45k+

136,000 households

R4 Lower-income owners

88,000 households

R5 Renters under 65

117,000 households

R6 Renters 65 and over

36,000 households

7 BURDENED ARCHETYPES

the 60,000 households still paying over 6% of their income

B1 Older owners living alone

9,700 households

B2 Older owners living with others

10,100 households

B3 Working-age owners living alone

10,300 households

B4 Working-age owners with a partner

8,800 households

B5 Owners with children

9,500 households

B6 Owners of high-value homes

4,500 households

B7 Renters

6,100 households

Policy Scenarios

On this page you can explore 14 different scenarios, each of which represents a change to the way in which Maine provides property tax relief to households, and learn about how each scenario would affect households at different levels of income or in different parts of the state.

There are two distinct types of policy scenario:

- **8 scenarios which spend \$35 million of new State spending:** These scenarios answer the following question: what are the different ways that the State of Maine could spend an extra \$35 million more on expanding the existing property tax relief programs?
- **6 scenarios which reallocate money between existing relief programs:** These scenarios are designed to be revenue-neutral: they leave overall State spending unchanged. Instead, they consider what could be achieved by abolishing one or more existing relief programs and directing all of the freed-up funds into expanding a different relief program.

Start by [comparing the two sets of scenarios](#) all at once, or scroll down to [explore a specific scenario in greater depth](#).

> Learn more about Maine's existing property tax relief programs

Compare the scenarios

Scenario group

\$35 million of new State spending

Revenue-neutral relief reallocation

\$35 million of new State spending: 8 scenarios

Select a scenario to explore it below.

Scenario	Program	What changes	State cost	Delivered relief	Number of Households		
					Gaining	No change	Losing
S1. Increase the Homestead Exemption	Homestead exemption	Exemption up \$11,600; mill rates up 0.33%	\$34.9m	\$39.3m	310,976	169,542	116,642
S2. Raise the Reimbursement Rate to 100%	Homestead exemption	Exemption up \$2,600; mill rates down 0.73%	\$34.8m	\$20.9m	431,739	165,421	0

Maine Property Tax Relief Explorer



What Today's Results Don't Capture

- **Impacts on non-residential property:** mill rate changes impact tax burden on businesses, second homes and rental properties; aren't in household results
- **Impact on rents:** mill rate changes impact rental supply and therefore rents
- **Dynamic behavior:** town budgets, home prices, incentive effects are not modelled.

Other Things to Keep in Mind

- **“Burden”** as tax:income
 - Income can be low, with high wealth
 - Renters tend to be more financially-strained than homeowners
- **Progressivity** measured only via income distribution does narrow the frame
- **Property taxes have good attributes too**

Relief Program Modelling

Effects of Existing Programs

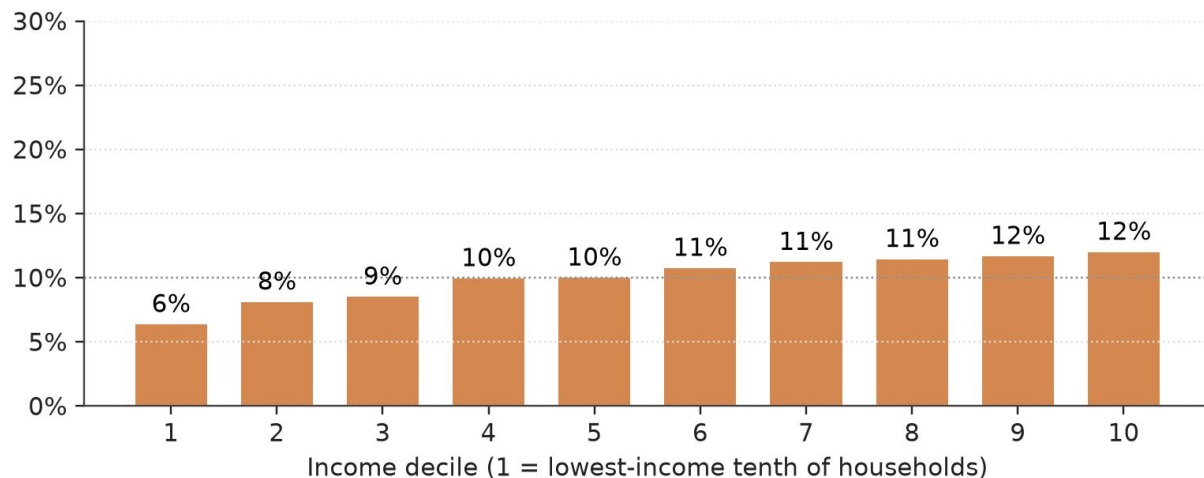
Today: Homestead Exemption

Takes \$25,000 off the taxable value of every owner-occupied home

- Delivers about \$110 million a year; costs the State about \$85 million a year
- Slightly regressive; homeowners more concentrated among higher incomes

Who benefits: share of the Homestead Exemption's \$112.4m, by income

Dotted line: an equal share (10% to each decile).

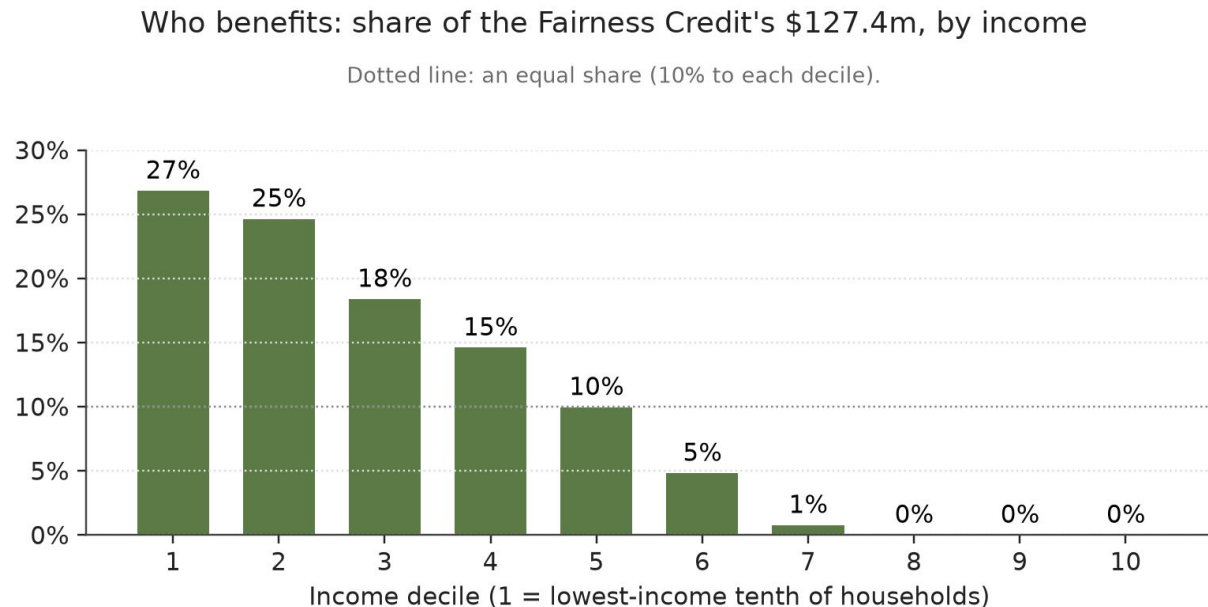


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Today: Property Tax Fairness Credit

A credit for property tax (or 15% of rent) above 4% of income, up to a limit

- Costs about \$130 million a year
- Progressive; zero effect on top three deciles



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

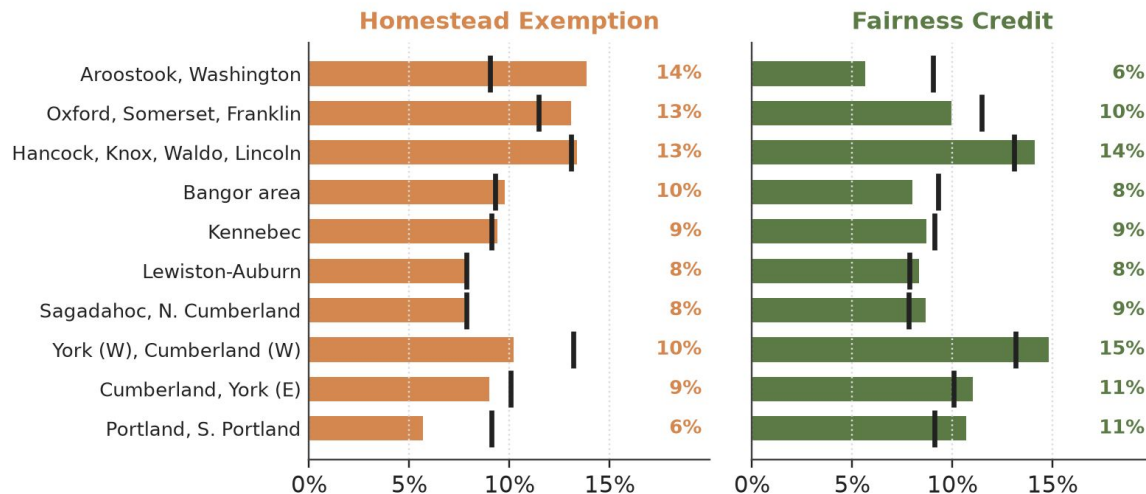
Today's Relief by Area

Each program's share of today's relief, by area

- The far north has 9% of households but gets 14% of the exemption and only 6% of the credit
- The Portland area is the reverse: 6% of the exemption, 11% of the credit

Where each program's money goes, by area

Bars: each area's share of the program's relief. Black tick: its share of Maine households.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Relief Program Modelling

Results by Scenario - \$35m of new State spending

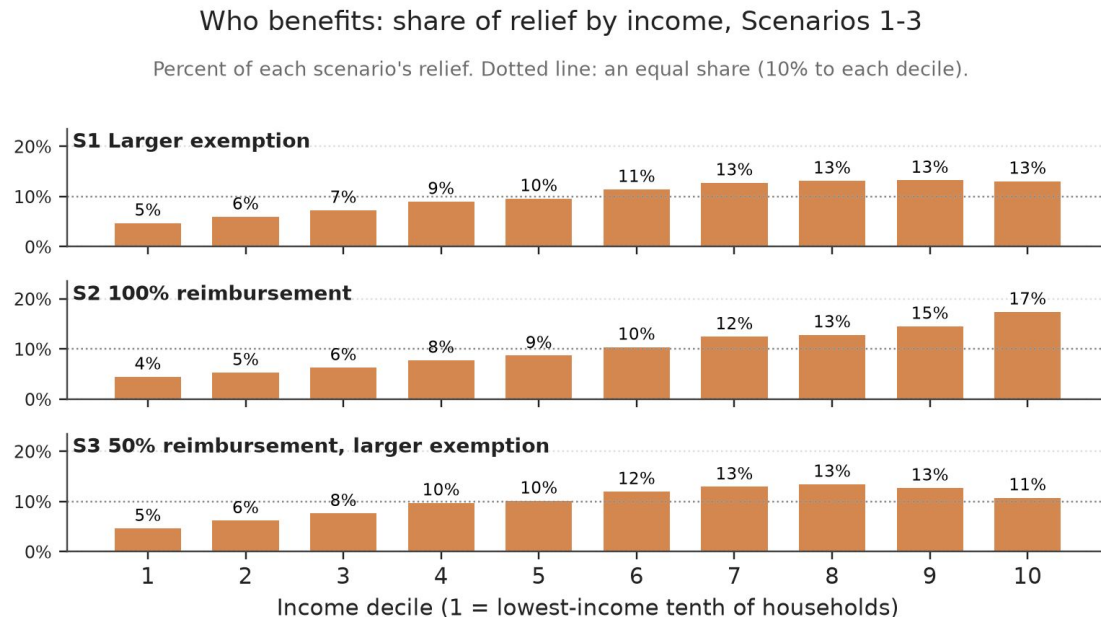
Key Findings

- **Fairness Credit is more progressive property tax relief:** it reaches lower incomes and does more to cut high tax burdens than the homestead exemption
- **Homestead Exemption** does more for Rural Maine
- **How the Fairness Credit grows matters:**
 - Higher maximum helps the lowest incomes most
 - Higher benefit bases help the middle

Scenarios 1-3: Homestead Exemption

S1: a \$36,600 exemption. S2: 100% reimbursement. S3: 50% reimbursement, \$56,400 exemption

- Most of the benefit goes to higher-income homeowners
- S1 and S3 leave over 100,000 households paying more; S2 none



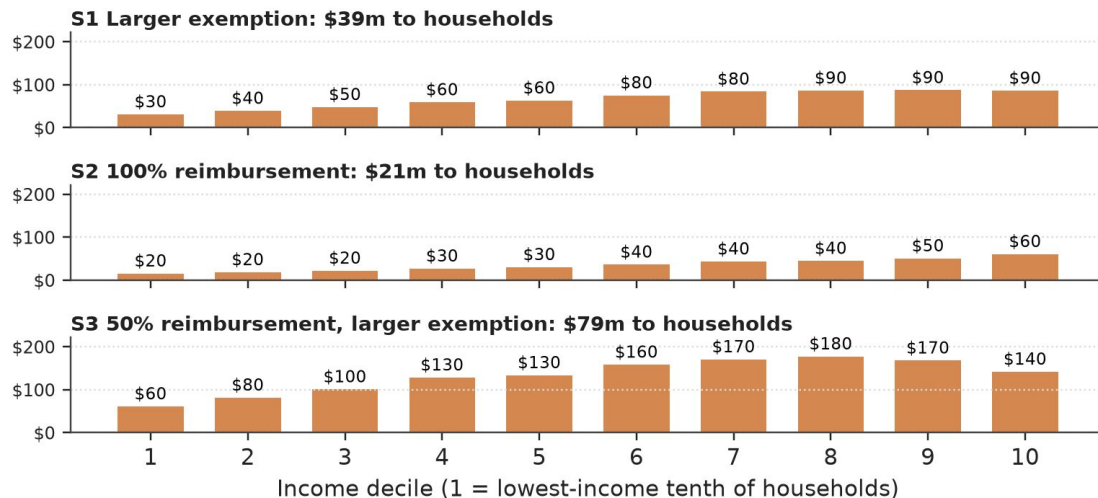
Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Scenarios 1-3: Dollars per Household

- S3 gives households about twice as much as S1, and about four times as much as S2
- Because it shifts more of the tax onto businesses, apartments, and other property

Average gain per household per year, Scenarios 1-3

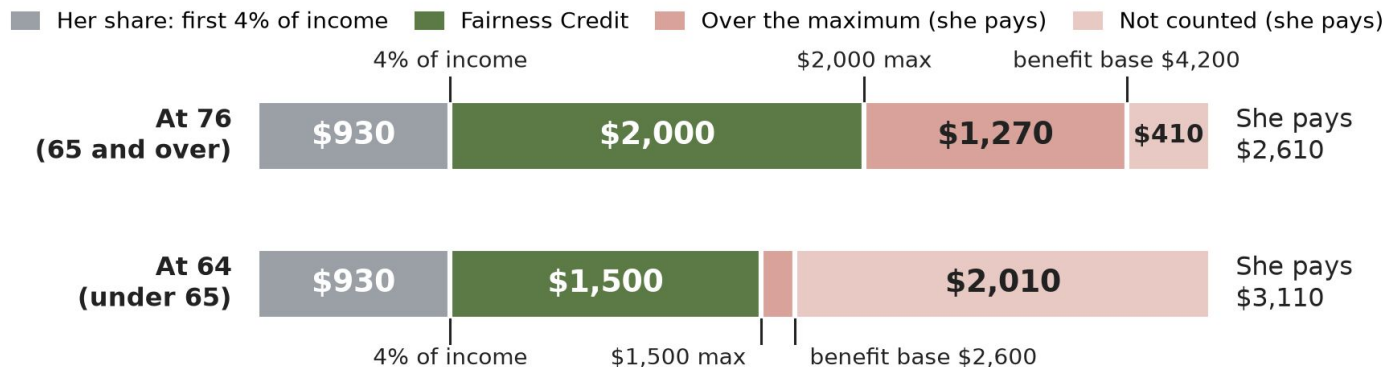
Each costs the State about \$35 million. Every household counted, renters included.



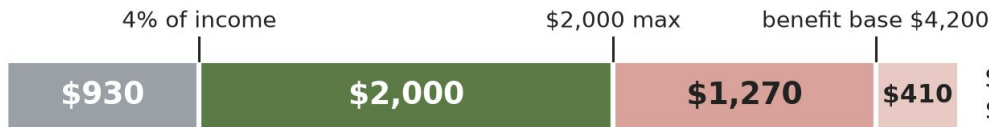
Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

How the Fairness Credit Works

An example household (76, lives alone, income \$23,300), and the same household at 64

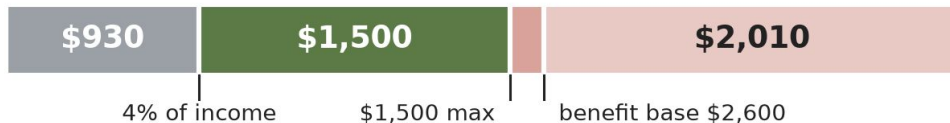


**At 76
(65 and over)**



She pays
\$2,610

**At 64
(under 65)**



She pays
\$3,110

Setting	Under 65	65 and over	Change it, and...
Threshold (her share first)	4% of income	4% of income	lower it: the credit starts sooner
Maximum credit	\$1,500	\$2,000	raise it: more for those at the limit
Benefit base (bill counted)	\$2,600 / \$3,350 / \$4,150	\$4,200	raise it: more of the bill counts

one person / two, or one dependent / more dependents

Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

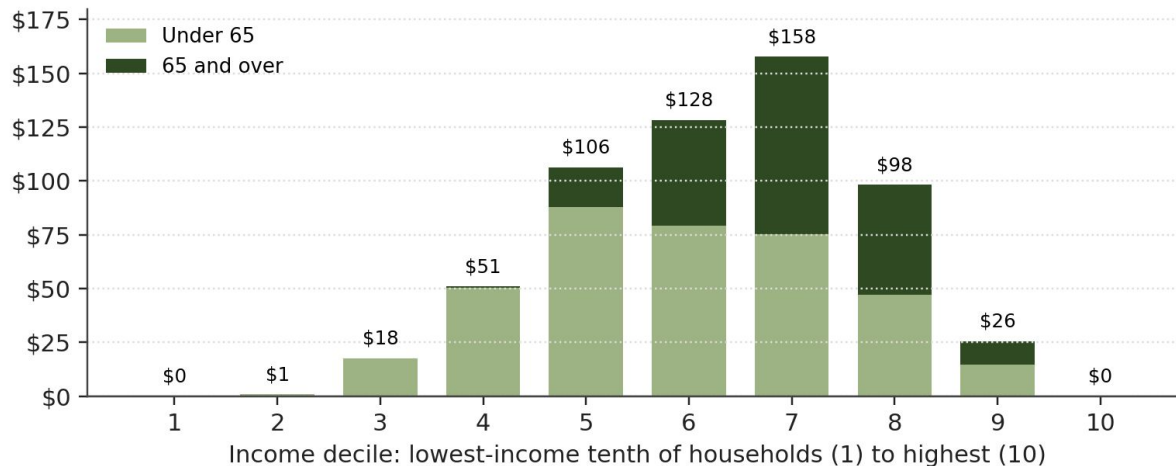
Scenario 4: Increase the Benefit Bases

Raises the benefit bases by 65%, so the credit counts more of the bill and reaches higher incomes

- Helps middle-income households most
- Only about 1 in 9 households gains, but no one loses

Average change per household per year, Scenario 4

Split by age (householder or spouse 65+). Seniors receive 36% of the relief. Every household counted.

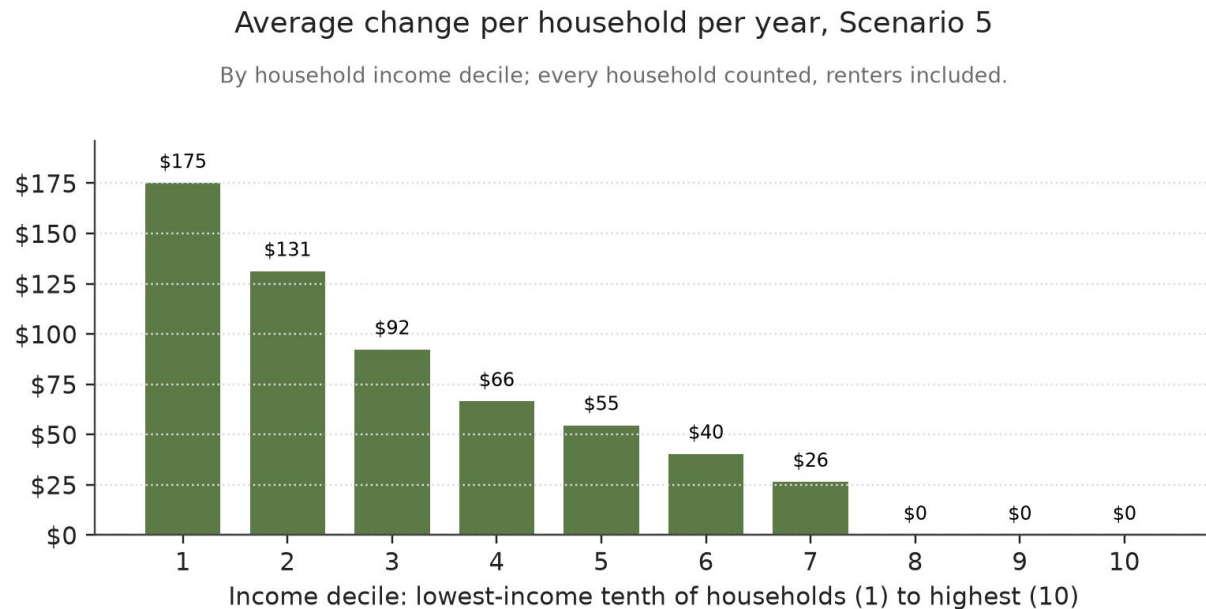


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Scenario 5: Increase the Max Credit

Doubles the maximum credit and starts the credit at 3.72% of income instead of 4%

- Helps the lowest-income households most
- Doubling the maximum alone would spend only about half the \$35 million
- Requires a burden threshold reduction because paying the full credit would only cost \$19m

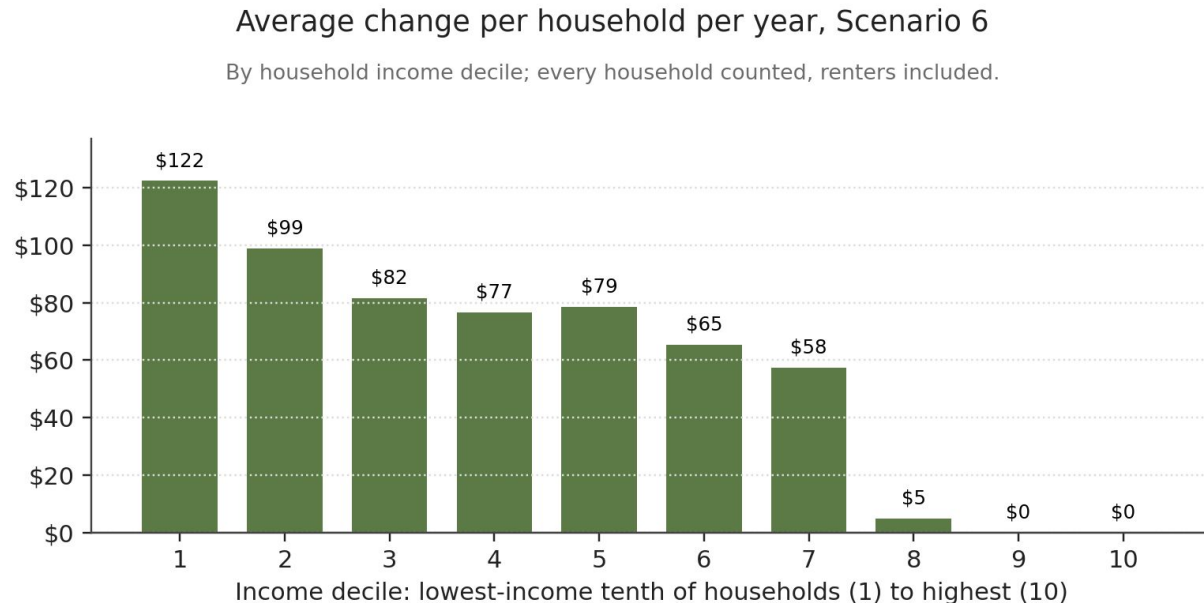


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Scenario 6: Benefit Bases & Max Credit

Raises the maximum credit by 50% and the benefit bases by about 18%

- Combined targeting of low-income and middle-income households

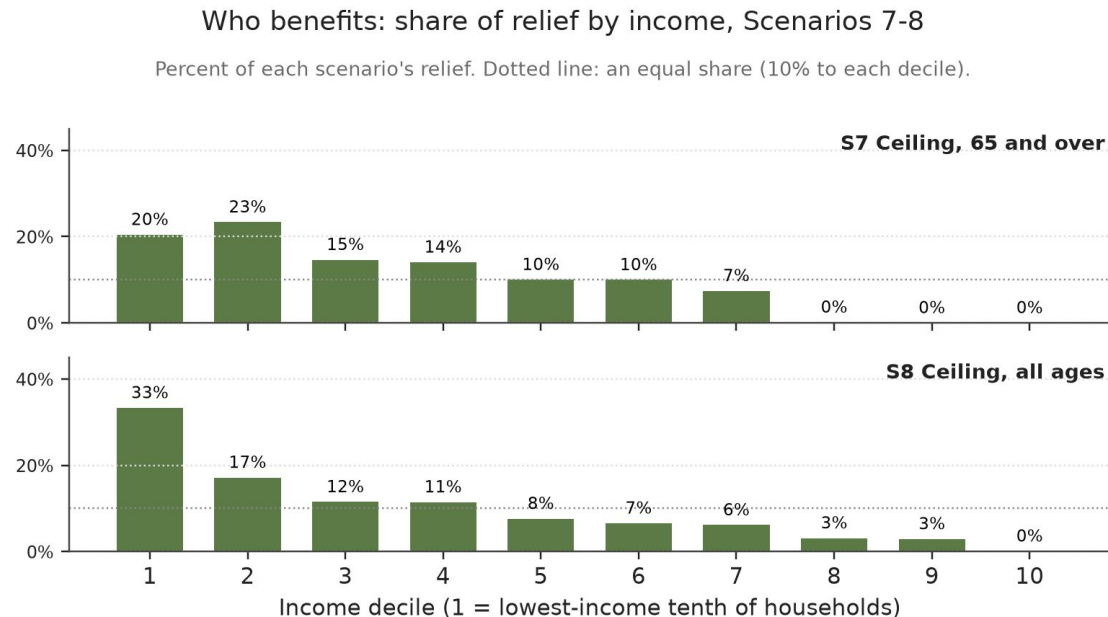


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Scenarios 7-8: Property Tax Ceilings

6%-of-income ceilings. S7: 65 and over, phasing out \$75,000–\$120,000. S8: any age, up to \$4,300

- 6% of income:
Scenario 7 phases out by income;
Scenario 8 phases out by property tax bill
- S8 does the most of any \$35 million option to cut high burdens; S7 helps far fewer, all 65 and over



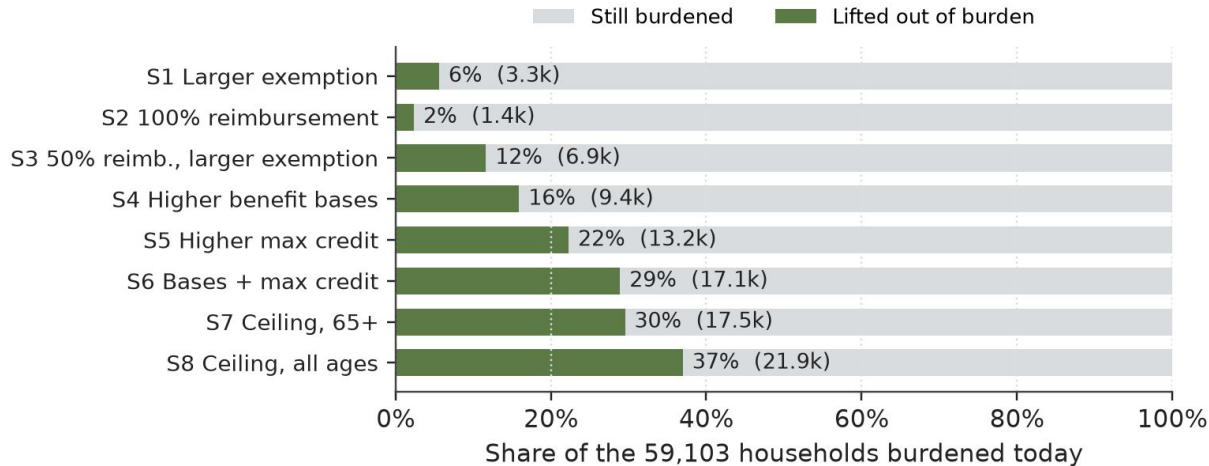
Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Comparing the \$35 Million Scenarios

Today about 59,000 households pay more than 6% of income in property tax

- Homestead changes do the least; Fairness Credit changes and ceilings do the most
- S7 + 8 are slightly cheating: we designed the policies explicitly around the 6% threshold

Of today's 59,103 burdened households, the share each scenario lifts out
Burdened: property tax (the bill, or 15% of rent) above 6% of income. Each scenario costs the State about \$35m.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Key Findings

- **Fairness Credit is more progressive property tax relief:** it reaches lower incomes and does more to cut high tax burdens than the homestead exemption
- **Homestead Exemption** does more for Rural Maine
- **How the Fairness Credit grows matters:**
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Relief Program Modelling

Results by Scenario - Revenue-neutral relief reallocation

Reallocation: The Money Each Program Frees

Scenarios 9-13 each end a State payment to towns and put the money into a larger Fairness Credit

- Revenue Sharing I is by far the largest: about \$200 million a year
 - \$208.5 million, but increased millages cost the state through PTFC
- All three together: about \$340 million

Money each abolition frees for the Fairness Credit, \$ millions a year

Net of the State reimbursements that rise with towns' higher mill rates.

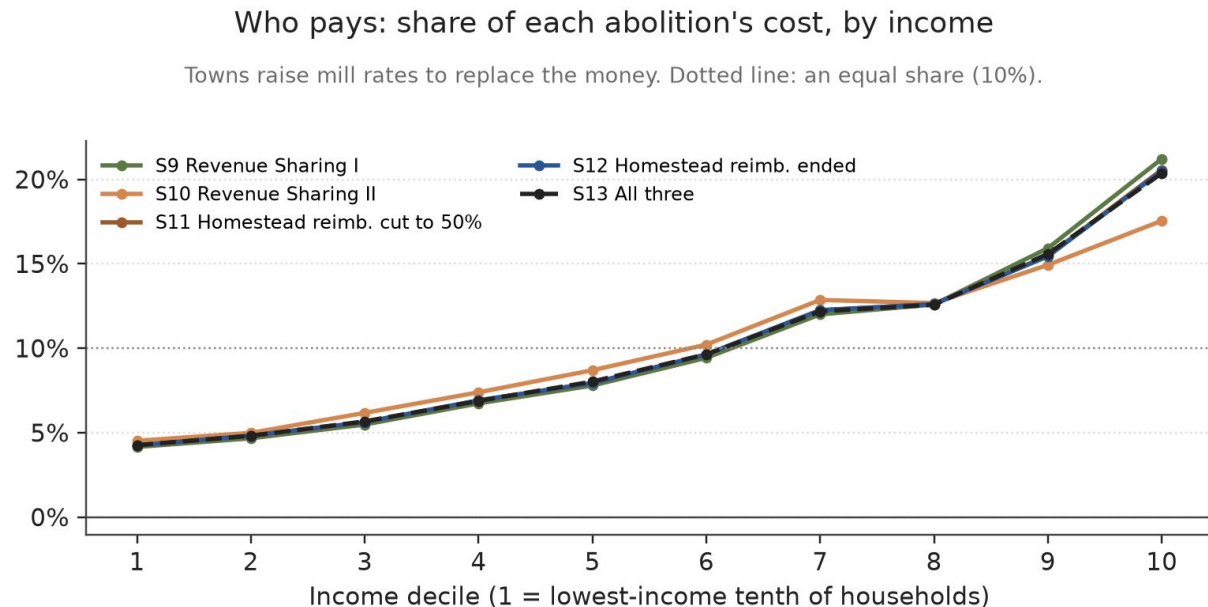


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Abolition Alone: Who Pays

If towns replace the lost money by raising property tax rates

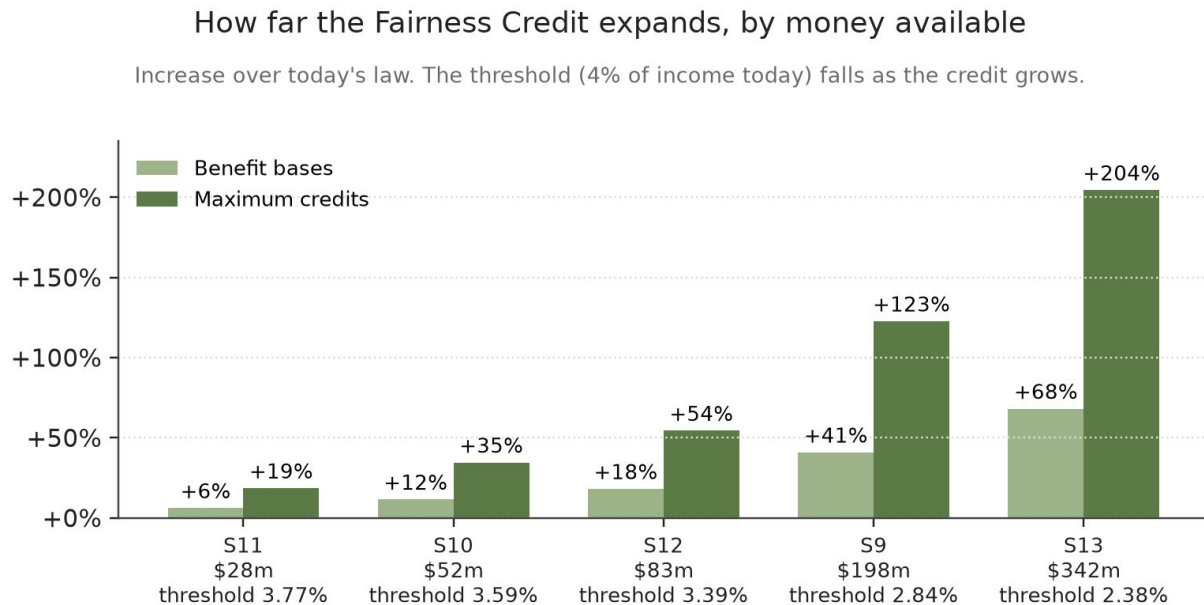
- Mostly similar: The top 30% of incomes pay about half
- Homeowners pay under half; businesses, rentals, and other properties pay the rest



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

The Fairness Credit Expansion

- Every part of the credit grows in tandem:
 - max credit increases 3x faster than benefit base
 - income threshold falls inversely to benefit-base
- Rule was designed to combine progressivity with broad reach.

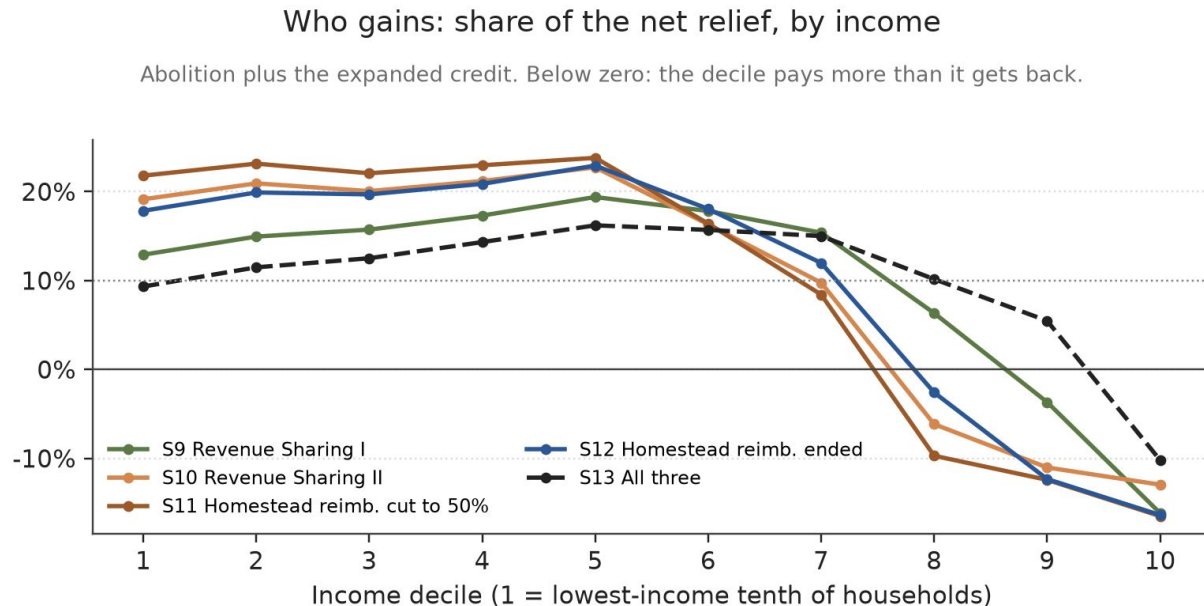


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

After Reallocation: Who Gains

Abolition plus the expanded Fairness Credit

- Low- and middle-income households come out ahead in every case
- The highest-income households pay more than they get back

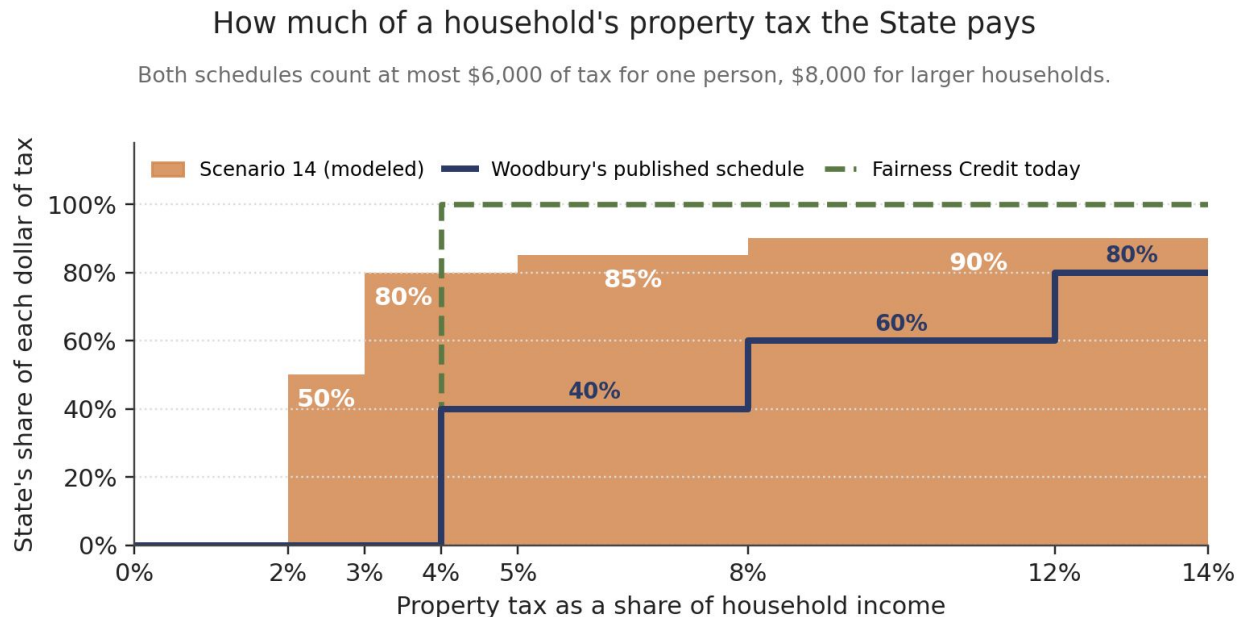


Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Scenario 14: Homestead Plus

Based on Dick Woodbury's proposal: pays a share of each household's tax above 2% of income

- Replaces all of today's relief, (\$475 million/yr), with one program
 - Woodbury's proposal: \$160m
 - Modeled proposal: \$465M
- Max \$6k/\$8k credit
- Includes renters



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

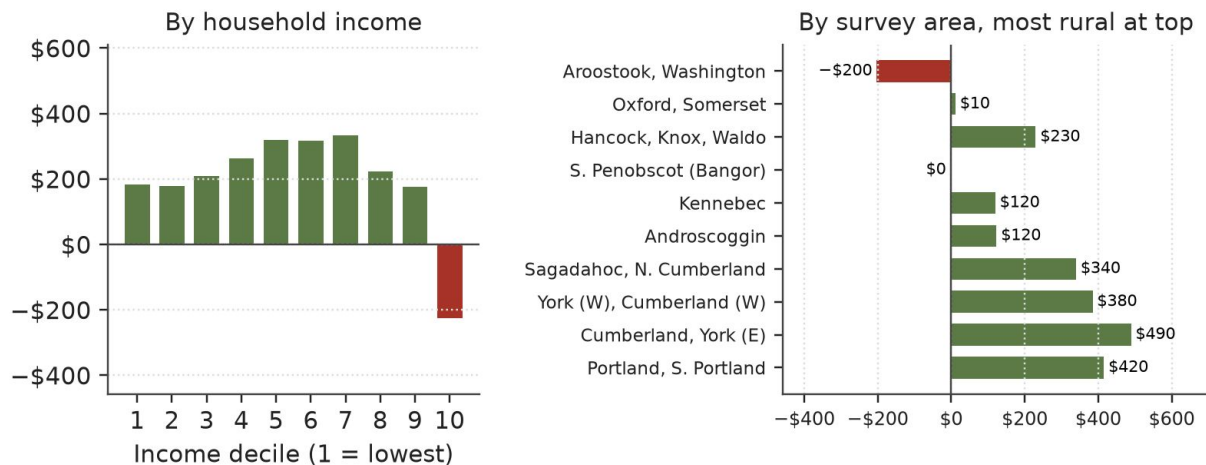
Scenario 14: Who Gains and Who Pays

Relief follows each household's tax burden, not its home or its town

- More gain than lose, but about 4 in 10 pay more
- All but the highest incomes gain on average; the rural north loses
- Expanding PTFC appears to target lower-income deciles better

Scenario 14: average change per household per year

Every household counted, renters included; payments at today's claiming rates.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Key Findings - Relief-Reallocation Scenarios

- Current relief programs each serve their purpose
 - But they may not be optimally allocated
- If the goal is to relieve burdens progressively, Fairness Credit is best
- Some version of Homestead Plus is worth considering

Relief Program Modelling

Results by Representative Archetype

Household Archetypes

Common types of Maine households, in two sets

6 REPRESENTATIVE ARCHETYPES

every Maine household falls in one

R1 Families with dependents

117,000 households

R2 Older owners, income \$45k+

102,000 households

R3 Working-age owners, income \$45k+

136,000 households

R4 Lower-income owners

88,000 households

R5 Renters under 65

117,000 households

R6 Renters 65 and over

36,000 households

7 BURDENED ARCHETYPES

the 60,000 households still paying over 6% of their income

B1 Older owners living alone

9,700 households

B2 Older owners living with others

10,100 households

B3 Working-age owners living alone

10,300 households

B4 Working-age owners with a partner

8,800 households

B5 Owners with children

9,500 households

B6 Owners of high-value homes

4,500 households

B7 Renters

6,100 households

Key Findings - Representative Archetypes

- Current programs generally work well to alleviate burdens
- Changes to Homestead Exemption are clawed-back for some low-income homeowners via PTFC (R4)
- 4% income threshold binds for low-income homeowners & renters (R4 & R6)
- Reallocation provides progressive relief (R9-R13), but costs ordinary homeowners (R1 & R3)

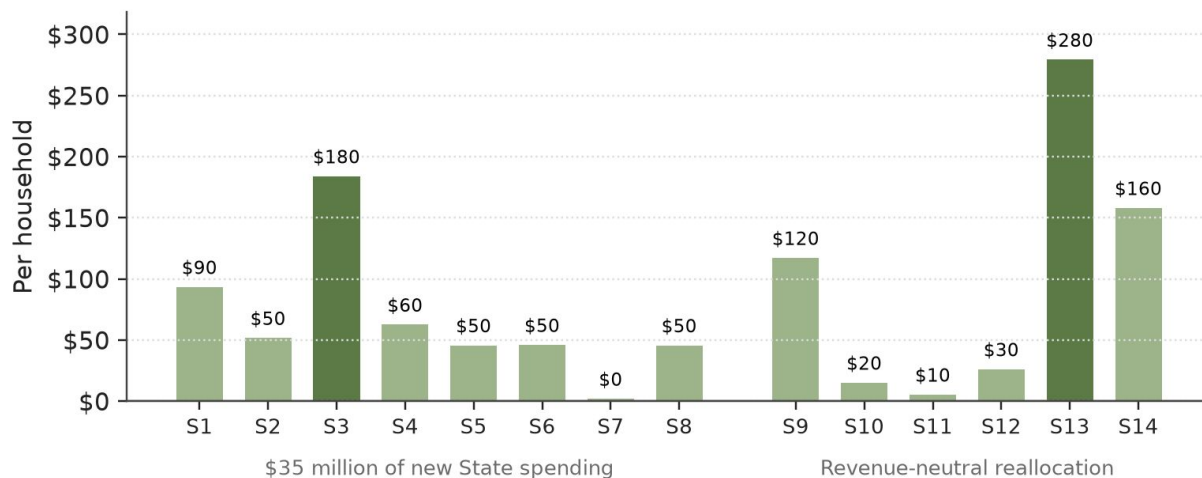
R1: Family with kids

Homeowners with dependent = 1 in 5 Maine households (117k), mildly concentrated on Southern Coast
Median: \$119,600 income, \$319k home, typical tax bill (\$3,160), 2.7% of income

- Highest-income archetype → only 8% are burdened
- HE reaches them (+\$180 in S3) but 28% pay more
- PTFC does little (S4-S6): fewer than 1 in 5 qualify
- More lose than gain under most reallocations
- S13 evenly split, but +\$280 on average.

Average change per R1 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

R2: Empty-Nest Retirees

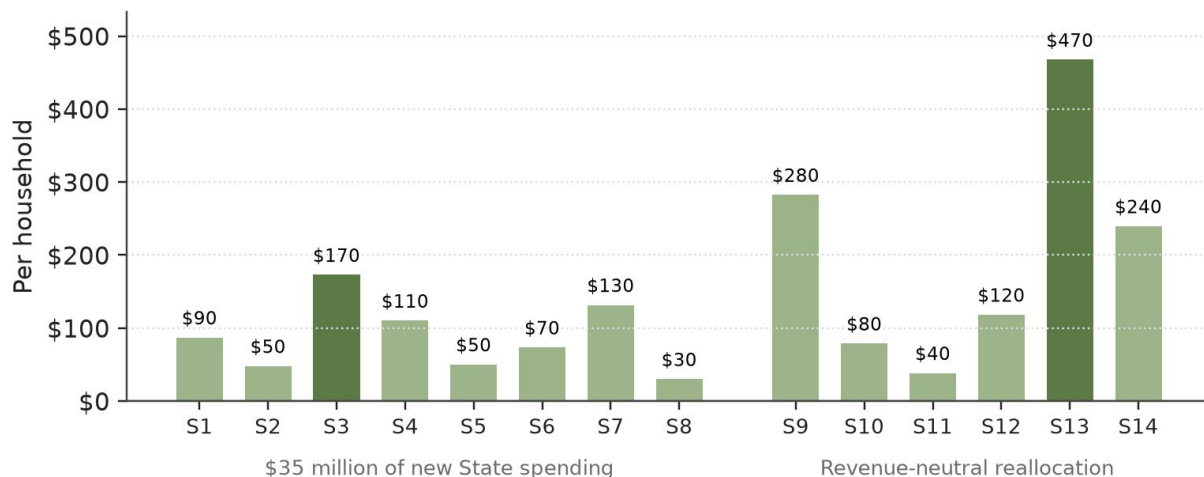
Owners 65+, no dependents, income $\geq \$45k = 100k$ households, 1 in 6

Median: \$88,000 income, \$310k home, typical tax bill (\$3,150), 3.3% of income

- 1 in 3 qualify for PTFC.
Typical claimant receives \$910 (well below max credit)
- Scenario ranking is similar to R1
- Except Senior property tax cap (S7): reaches 8%, halves the share burdened (11% $\rightarrow$ 6%)
- S13 & S14 Cut the burdened share to 4%

Average change per R2 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

R3: Working-age homeowners, no dependents

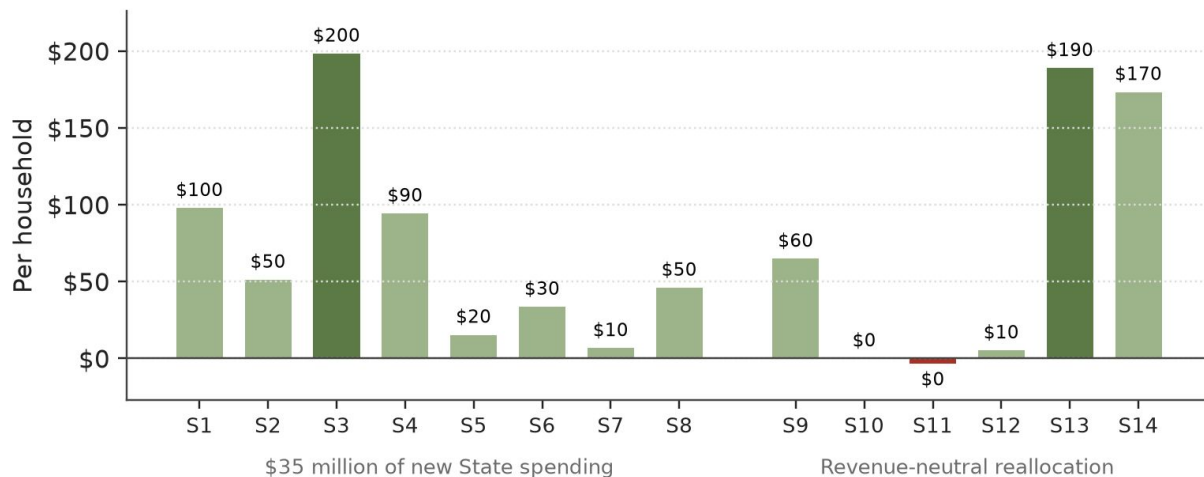
Homeowners under 65 with no dependents, income $\geq$ \$45k = nearly 1 in 4 Maine households (136k)

Median: \$111,000 income, \$301k home, \$3,040 tax bill, 2.5% of income (lightest of any group)

- Only 1 in 9 qualify for PTFC; $\frac{3}{4}$ of whom are at benefit-base (S4)
- HE helps them, S3 by even more than reallocation
- Majority are worse-off under all reallocation scenarios.

Average change per R3 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

R4: Lower-Income Owner, No Dependents

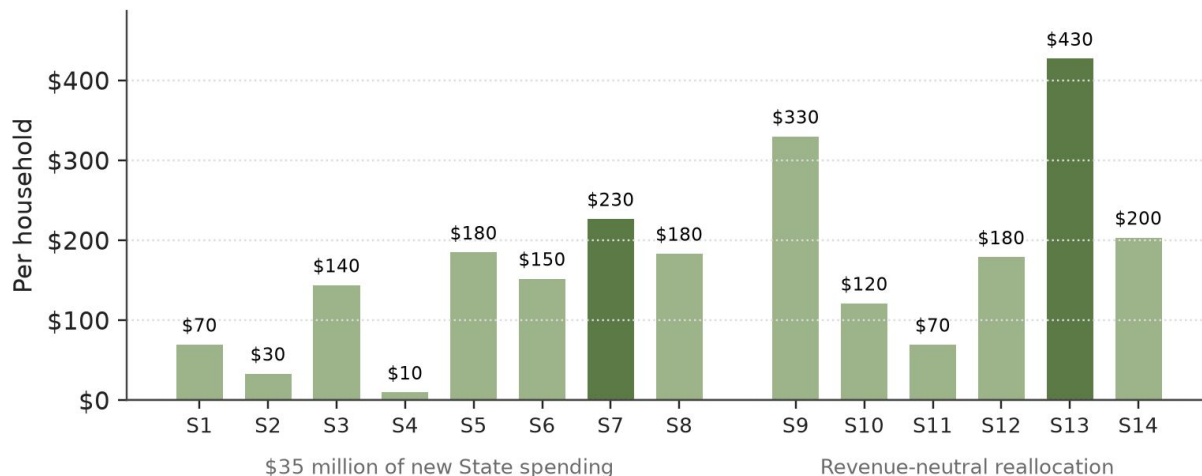
Owners with no dependents, income <\$45k = 88k households, 1 in 7, half rural

Medians: \$26,400 income, \$193k home, \$1,910 tax bill, 4.0% of income after relief

- Target for existing relief: $\frac{3}{4}$ qualify for PTFC
- Majority are limited by 4% threshold (S5)
- So HE changes are clawed-back (S1 -S2)
- PTFC expansions help them (S13)

Average change per R4 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

R5: Working-age renters

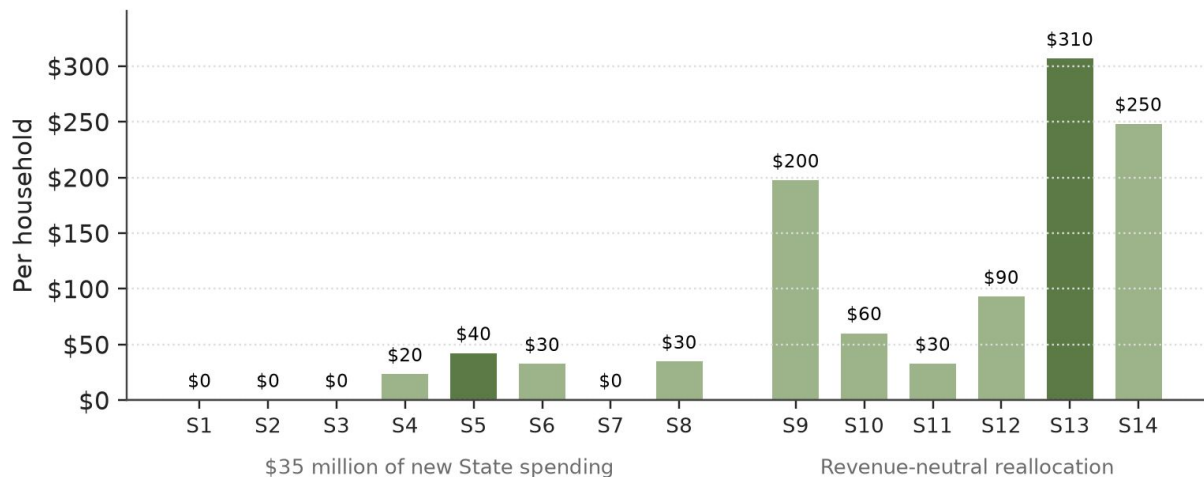
Renting households under 65 = 117k households, 1 in 5 Maine households, overrepresented in Portland

Median: \$50k income, \$1,800 of rent counted towards PTFC, 3.5% of income

Average change per R5 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.

- 2 in 5 qualify for PTFC
- So increases only help a little (S4-S6)
- (S1-S3) Homestead changes give renters nothing
- Reallocations to PTFC & HP resolve their burden (S13 & S14)



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

R6: Retiree renter

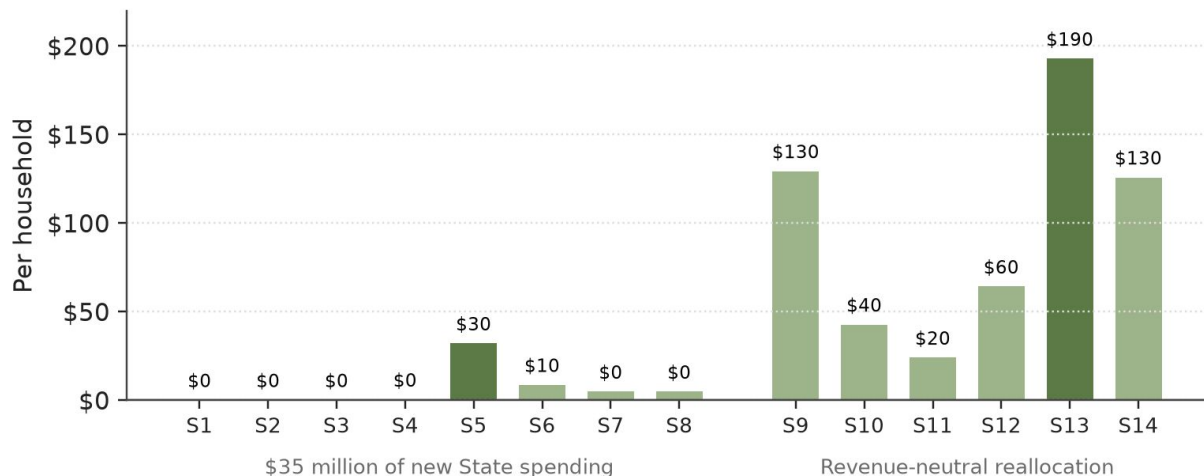
Renting households 65 and over = 36k households, smallest Representative archetype, slightly more urban

Median: \$27,000 income, \$1,200 of rent counted towards PTFC, 3.9% of income

Average change per R6 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.

- Half qualify for PTFC, almost-fully resolves their burden.
- Same story as R5.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Key Findings - Representative Archetypes

- Current programs generally work well to alleviate burdens
- Changes to Homestead Exemption are clawed-back for some low-income homeowners via PTFC (R4)
- 4% income threshold binds for low-income homeowners & renters (R4 & R6)
- Reallocation provides progressive relief (R9-R13), but costs ordinary homeowners (R1 & R3)

Relief Program Modelling

Results by Burdened Archetype

Key Findings - Burdened Archetypes

- Risk factors: living alone, low income (B1, B3)
- HE doesn't much help the Burdened; PTFC & Homestead Plus better targeted (B1-B7)
- Max credit reaches burdened families, retirees, renters (B1, B5, B7)
- Benefit base reaches burdened empty-nesters (B4)

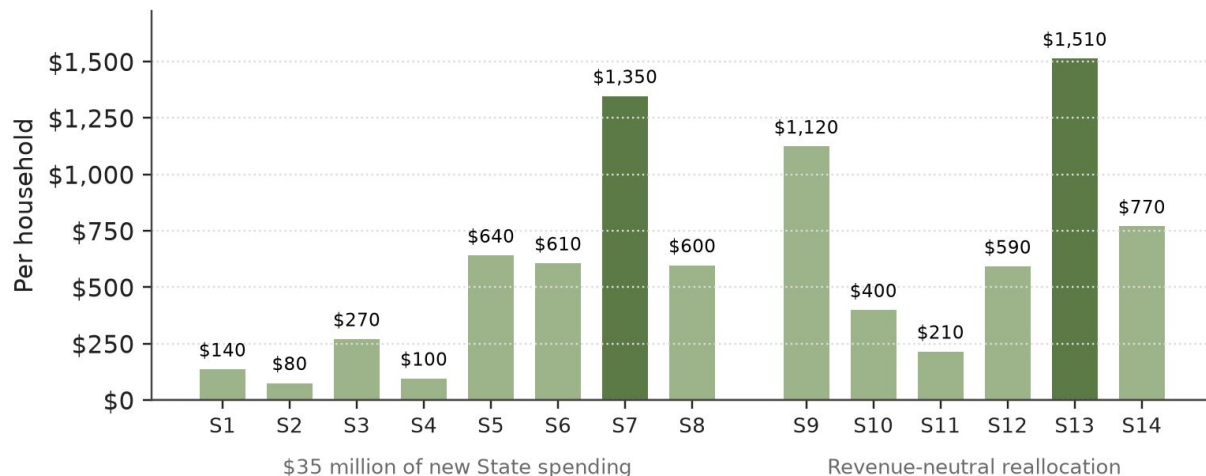
B1: Burdened retiree living alone

Burdened homeowners 65+ living alone in a <\$1m home = 9,710 households, half in Greater Portland/Southern Coast

- 9 in 10 are at the maximum credit (S5 & S6)
- (S7) Senior-targeted property tax cap gives them near-universal relief (but does nothing for working-age households)
- HE does little for them (S1-S3); converting Reimbursement into expanded FC does more (S12-S13)

Average change per B1 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B2: Burdened retiree living with others

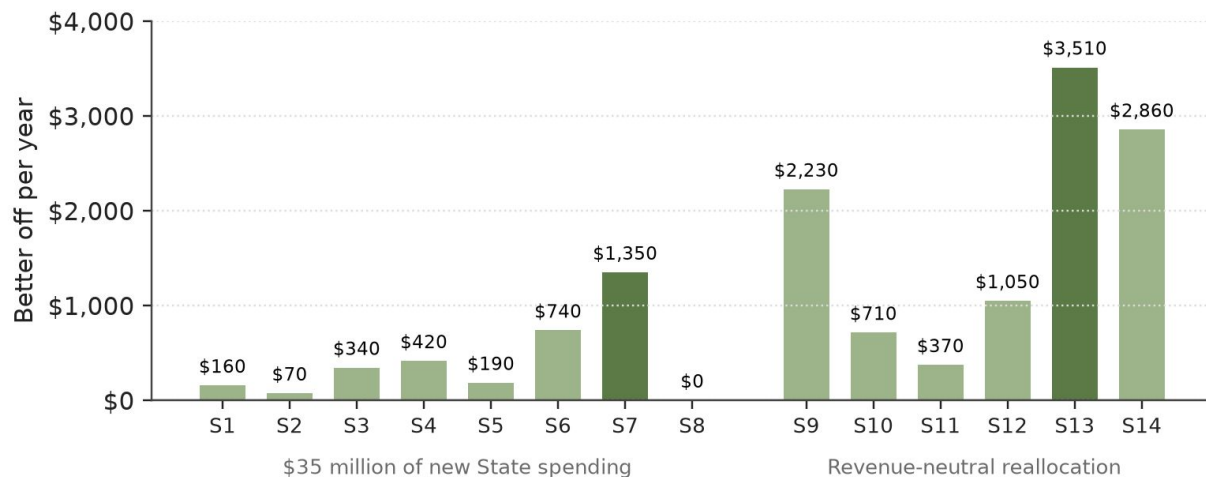
Burdened homeowners 65+ living with others in a <\$1m home = 10,090 households, often Southern Coast

Vignette: Gordon & Nancy Leclerc in Cumberland, \$65,400 income, \$486k home, tax \$5,280 after relief (8.1% of income)

- Leclercs are at the benefit base (so S4 helps)
- (S7) Senior cap still best
- (S8) Universal cap does nothing for them (ceiling payment falls below their current credit)
- Expanded PTFC (S13) & Homestead Plus (S14) reduce their burden to 2.7% and 3.7% of income respectively.

How much better off **Gordon and Nancy** would be each year, by scenario

A real survey household, invented name. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B3: Working-age solo homeowner

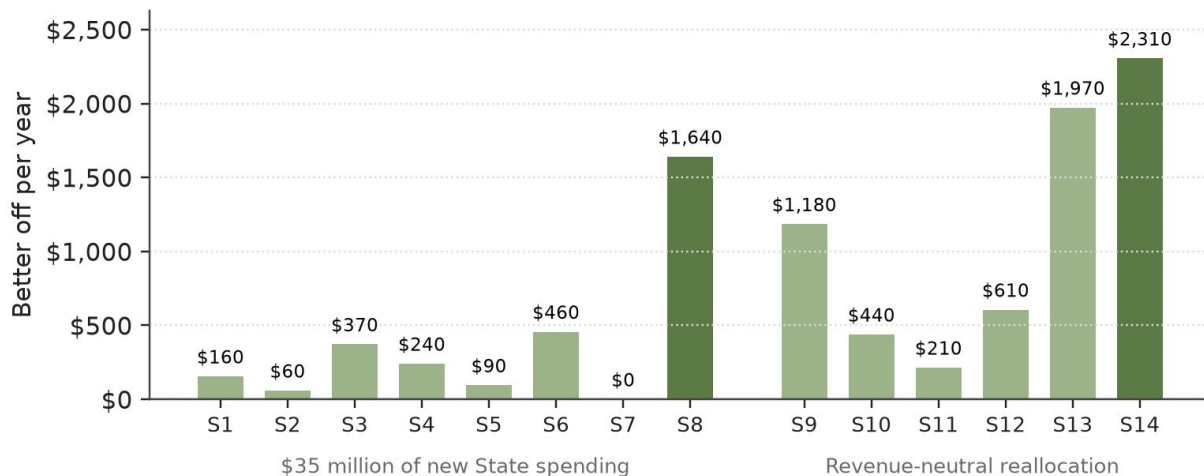
Burdened homeowners under 65 living alone in a <\$1m home = 10,330 households, mostly urban

Vignette: Marc Bisson in Biddeford, \$33,500 income, \$375k home, tax \$3,720 after relief (11.1% of income)

- Marc's age squeezes both PTFC levers: lower max credit + smallest benefit base
- (S7) Senior cap does nothing for working-age Marc
- (S8) But Universal cap is his best \$35m option (value ceiling leaves him at 6.2% burden)
- (S14) Marc helped most by Homestead Plus (no benefit base); lowers burden to 4.2%

How much better off Marc would be each year, by scenario

A real survey household, invented name. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B4: Burdened empty-nesters & DINKs

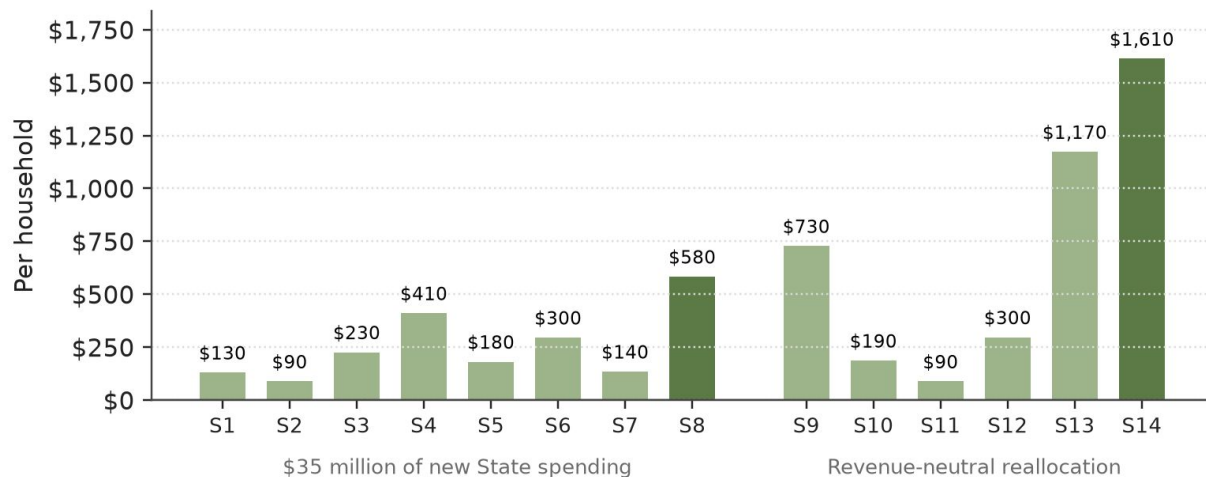
Burdened homeowners under 65 living with a partner in a <\$1m home = 8,840 households, often Southern Coast

Medians: \$67,400 income, \$437k home, \$6,380 tax bill, 8.0% of income after relief

Average change per B4 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.

- Majority are constrained by benefit base
- So S4 helps them, along with universal cap (S8)
- Also makes Homestead Plus best (S14): moves $\frac{3}{4}$ below 6% burden



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B5: Burdened families

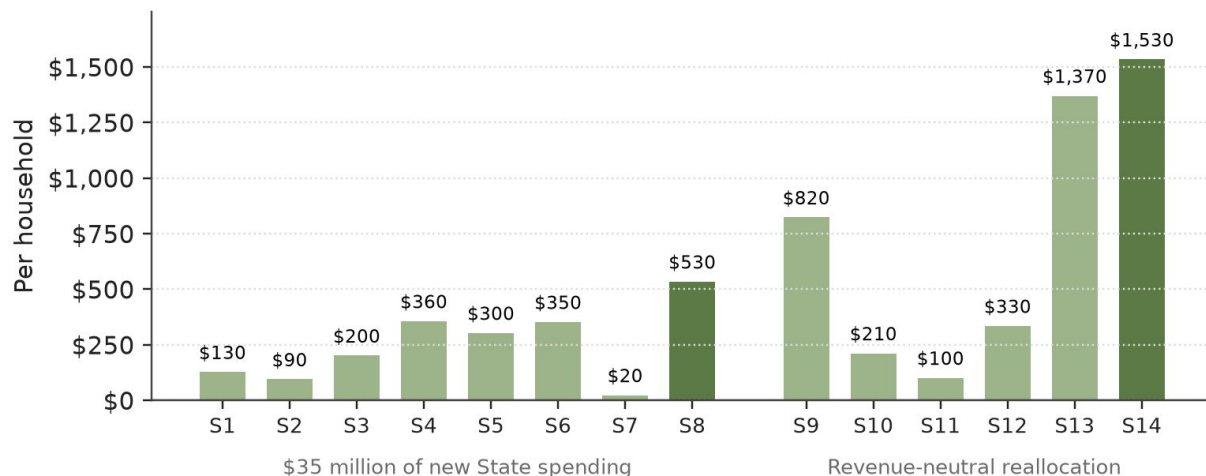
Burdened homeowners with a dependent at home = 9,460 households, often Southern Coast

Medians: \$73,300 income, \$486k home, \$6,980 tax bill, 8.4% of income after relief

- Recent movers
- Dependents give them a higher benefit base; most are constrained by max credit
- (S8) Universal cap is their best \$35m option, but still leaves 3 in 4 burdened
- (S13 & S14) Lift two-thirds and three-quarters below 6%

Average change per B5 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B6: Expensive Home Owner

Burdened homeowners with no dependents in a \$1m+ home = 4,530 households, often Southern Coast

Vignette: Peter & Susan Chadbourne in Cornish, \$92.8k income, \$1.3m home, tax \$9.5k after relief (10.2% of income)

- Chadbournes are burdened by their home value, not low income: \$10k tax bill is nearly 3x average
- Senior cap (S7) is best, but would've delivered nothing two years ago. Universal cap (S8) only counts \$370k of their home's value.
- S13 & S14 deliver ~\$3.5k relief, but leave them slightly above 6% burden.

How much better off **Peter and Susan** would be each year, by scenario

A real survey household, invented name, claiming every credit. Darker green: the most in each group.



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

B7: Rent-Burdened

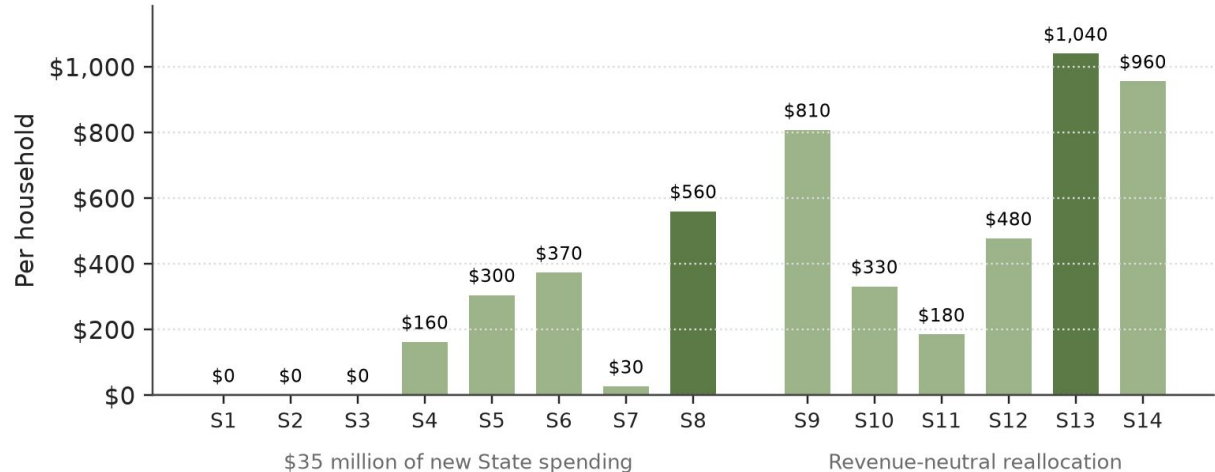
Burdened renters of any age = 6,150 households, often Greater Portland

Caveat: 2 in 3 pay more rent than they earn in income (function of how the archetype was defined)

Average change per B7 household per year, by scenario

At today's claiming rates, non-claimers included. Darker green: the most in each group.

- Lowest incomes of any archetype (\$18k), 9 in 10 qualify for PTFC.
- HE no help at all (S1-S3)
- Universal cap (S8) very effective, if renters included.
- S13 & S14 increase their income by ~5%



Source: PPI and CLE household model of Maine (Census ACS microdata, Maine Revenue Services records), TY2026 law.

Key Findings - Burdened Archetypes

- Risk factors: living alone, low income (B1, B3)
- HE doesn't much help the Burdened; PTFC & Homestead Plus better targeted (B1-B7)
- Max credit reaches burdened families, retirees, renters (B1, B5, B7)
- Benefit base reaches burdened empty-nesters (B4)

Questions / Discussion



Link to Relief Explorer:

<https://landeconomics.org/maine-tax-relief-explorer>

Key Findings

- **Expanding the Fairness Credit is the most progressive form of property tax relief.** Especially via max credit.
 - Benefit base reaches middle-incomes. Burden threshold provides broad relief.
- **Homestead Exemption is less progressive**, but better-reaches rural areas.
- Archetypes reveal:
 - Homestead exemption has broad reach, but excludes renters
 - Max credit reaches burdened families, retirees, renters
 - Benefit base reaches burdened empty-nesters & DINKs
- **Reallocations provide progressive relief**, but at the cost of existing programs.
 - Burdened archetypes do best under scenarios that raise their own tax bill
 - Homestead Plus worth consideration