



132nd MAINE LEGISLATURE

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Legislative Document

No. 715

H.P. 454

House of Representatives, February 25, 2025

**An Act to Provide Property Tax Relief by Increasing the
Availability of the Property Tax Fairness Credit Based on a
Resident's Age and Income**

Received by the Clerk of the House on February 20, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative MILLIKEN of Blue Hill.

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

2 **Sec. 1. 36 MRSA §5219-KK, sub-§2-D**, as amended by PL 2023, c. 412, Pt. S,
3 §4, is further amended to read:

4 **2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022,
5 a resident individual is allowed a credit against the taxes imposed under this Part equal to
6 the amount by which the benefit base for the resident individual exceeds 4% of the resident
7 individual's income, except that, for tax years beginning on or after January 1, 2026, a
8 resident individual who is 65 years of age or older with an annual income at or below
9 \$36,000 is allowed a credit against the taxes imposed under this Part equal to the amount
10 by which the benefit base for the resident individual exceeds 3% of the resident individual's
11 annual income. The credit may not exceed \$1,000 for resident individuals under 65 years
12 of age as of the last day of the taxable year or, for tax years beginning before January 1,
13 2024, \$1,500 for resident individuals 65 years of age and older as of the last day of the
14 taxable year. For tax years beginning on or after January 1, 2024, for resident individuals
15 65 years of age and older, the credit may not exceed \$2,000. In the case of married
16 individuals filing a joint return, only one spouse is required to be 65 years of age or older
17 to qualify for the credit applicable to individuals who are 65 years of age and older as
18 established by this subsection or to qualify for the \$1,500 or \$2,000 credit limitation.
19 Married taxpayers filing separate returns do not qualify for the credit under this section.

20 **Sec. 2. 36 MRSA §5403, sub-§6**, as repealed and replaced by PL 2023, c. 412, Pt.
21 S, §5, is amended to read:

22 **6. Property tax fairness credit.** For the property tax fairness credit:

23 A. Beginning in 2018 and each year thereafter, by the benefit base amounts in section
24 5219-KK, subsection 1, paragraph A-1, subparagraphs (1) to (3), except that for the
25 purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-
26 of-living adjustment" is the Chained Consumer Price Index for the 12-month period
27 ending June 30th of the preceding calendar year divided by the Chained Consumer
28 Price Index for the 12-month period ending June 30, 2017; ~~and~~

29 B. Beginning in 2024 and each year thereafter, by the benefit base amount in section
30 5219-KK, subsection 1, paragraph A-1, subparagraph (4), except that for the purposes
31 of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living
32 adjustment" is the Chained Consumer Price Index for the 12-month period ending June
33 30th of the preceding calendar year divided by the Chained Consumer Price Index for
34 the 12-month period ending June 30, 2023; and

35 C. Beginning in 2026 and each year thereafter, by the income amount at or below
36 which a resident individual who is 65 years of age or older is allowed the credit
37 provided in section 5219-KK, subsection 2-D that is equal to the amount by which the
38 benefit base for the resident individual exceeds 3% of the resident individual's annual
39 income, except that for the purposes of this subsection, notwithstanding section 5402,
40 subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index
41 for the 12-month period ending June 30th of the preceding calendar year divided by
42 the Chained Consumer Price Index for the 12-month period ending June 30, 2025;

1 **SUMMARY**

2 This bill provides that, for tax years beginning on or after January 1, 2026, for resident
3 individuals who are 65 years of age and older filing individually or as a married individual
4 filing jointly, with an annual income of \$36,000 or less, indexed for inflation, the property
5 tax fairness credit is equal to the amount by which the benefit base for the resident
6 individual exceeds 3% of the resident individual's annual income. In the case of married
7 individuals filing jointly, only one spouse is required to be 65 years of age or older to
8 qualify for the tax credit. The amendment does not eliminate the property tax fairness
9 credit available under current law.