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H.P. 669

House of Representatives, March 12, 2013

**An Act To Improve and Simplify the Application for Benefits under
the Circuitbreaker Program**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative STUCKEY of Portland.
Cosponsored by Representatives: CAREY of Lewiston, GILBERT of Jay, GOODE of Bangor,
POWERS of Naples, Senator: PATRICK of Oxford.

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

2 **Sec. 1. 36 MRSA §6201, sub-§5**, as amended by PL 2011, c. 513, §1, is further
3 amended to read:

4 **5. Homestead.** "Homestead" means the dwelling owned or rented by the claimant or
5 held in a revocable living trust for the benefit of the claimant and occupied by the
6 claimant and the claimant's dependents as a home, and may consist of a part of a
7 multidwelling or multipurpose building and a part of the land, ~~up to 10 acres~~, upon which
8 it is built. "Owned" includes a vendee in possession under a land contract and of one or
9 more joint tenants or tenants in common and includes possession under a legally binding
10 agreement that allows the owner of the dwelling to transfer the property but continue to
11 occupy the dwelling as a home until some future event stated in the agreement.

12 **Sec. 2. 36 MRSA §6201, sub-§7**, as enacted by PL 1987, c. 516, §§3 and 6, is
13 amended to read:

14 **7. Household income.** "Household income" means all income received by all
15 persons of a household in a calendar year while members of the household, excluding the
16 income of members of the household for whom the claimant under this chapter is entitled
17 to claim an exemption as a dependent under Part 8 for the year for which relief is
18 requested.

19 **Sec. 3. 36 MRSA §6201, sub-§9**, as repealed and replaced by PL 2007, c. 438,
20 §113, is amended to read:

21 **9. Income.** "Income" means Maine adjusted gross income determined in accordance
22 with Part 8, modified as provided by this subsection.

23 A. Maine adjusted gross income must be increased by the following amounts, to the
24 extent not included in Maine adjusted gross income:

25 (1) Contributions, including catch-up contributions, to any pension, annuity or
26 retirement plan, including contributions to an individual retirement account under
27 Section 408 of the Code, a simplified employee pension plan, a salary reduction
28 simplified employee pension plan, a savings incentive match plan for employees
29 plan and a deferred compensation plan under Section 457 of the Code and cash or
30 deferred arrangements under Section 401 of the Code and qualified, or "Keogh,"
31 accounts;

32 ~~(2) Nontaxable contributions to a flexible spending arrangement under Section~~
33 ~~125 of the Code;~~

34 ~~(3) Amounts excluded from gross income under Section 129 of the Code;~~

35 (4) Distributions from a ROTH IRA;

36 (5) Capital gains;

37 (6) The absolute value of the amount of trade or business loss, net operating loss
38 carry-over, capital loss, rental loss, farm loss, partnership or S Corporation loss
39 included in Maine adjusted gross income;

- 1 ~~(7) Inheritance;~~
- 2 ~~(8) Life insurance proceeds paid on death of an insured;~~
- 3 ~~(9) Nontaxable lawsuit rewards resulting from lawsuits for actions such as~~
4 ~~slander, libel and pain and suffering, excluding reimbursements such as medical~~
5 ~~and legal expenses associated with the case;~~
- 6 (10) Support money;
- 7 ~~(11) Nontaxable strike benefits;~~
- 8 (12) The gross amount of any pension or annuity, including railroad retirement
9 benefits;
- 10 (13) All payments received under the federal Social Security Act and state
11 unemployment insurance laws;
- 12 (14) Veterans' disability pensions;
- 13 (15) Nontaxable interest received from the Federal Government or any of its
14 agencies or instrumentalities;
- 15 (16) Interest or dividends on obligations or securities of this State and its political
16 subdivisions and authorities;
- 17 (17) Workers' compensation and the gross amount of "loss of time" insurance;
18 ~~and~~
- 19 (18) Cash public assistance and relief, but not including relief granted under this
20 chapter-; and
- 21 (19) The total nontaxable portion of the following items of income, determined as
22 if a federal income tax return were required, but only if the total of all of the
23 following income items exceeds \$5,000:
- 24 (a) Jury duty payments;
- 25 (b) Awards;
- 26 (c) Lawsuit awards resulting from lawsuits for actions such as slander, libel
27 and pain and suffering, excluding reimbursements such as medical and legal
28 expenses associated with the case;
- 29 (d) Strike benefits; and
- 30 (e) Life insurance proceeds paid on death of an insured.
- 31 B. Maine adjusted gross income must be decreased by the following amounts, to the
32 extent included in Maine adjusted gross income:
- 33 ~~(1) The first \$5,000 of proceeds from a life insurance policy, whether paid in a~~
34 ~~lump sum or in the form of an annuity;~~
- 35 (2) A rollover from an individual retirement account, pension or annuity fund or
36 plan to an individual retirement account, pension or annuity fund or plan;
- 37 (3) Gifts from nongovernmental sources; and

1 (4) Surplus foods or other relief in kind supplied by a governmental agency.

2 **Sec. 4. 36 MRSA §6203-A**, as amended by PL 2009, c. 213, Pt. S, §14 and
3 affected by §16, is repealed and the following enacted in its place:

4 **§6203-A. Procedure for reimbursement**

5 **1. Application periods beginning August 1, 2014 and August 1, 2015.** For
6 application periods beginning August 1, 2014 and August 1, 2015, at least monthly on or
7 before the last day of the month, the State Tax Assessor shall determine the benefit for
8 each claimant under this chapter and certify the amount to the State Controller to be
9 transferred to the so-called circuit breaker reserve established, maintained and
10 administered by the State Controller from General Fund undedicated revenue. At least
11 monthly, the assessor shall pay the certified amounts to each approved applicant
12 qualifying for the benefit under this chapter. Interest may not be allowed on any payment
13 made to a claimant pursuant to this chapter.

14 **2. Application periods beginning during or after January 2016; applications**
15 **filed January 1st to June 30th.** For application periods beginning during or after
16 January 2016 and with respect to applications filed prior to July 1st, the State Tax
17 Assessor shall determine the benefit for each claimant under this chapter and certify the
18 amount to the State Controller at any time after June 30th, but no later than July 15th, to
19 be transferred to the so-called circuit breaker reserve established, maintained and
20 administered by the State Controller from General Fund undedicated revenue. No later
21 than August 1st, the assessor shall pay the certified amounts to each approved applicant
22 qualifying for the benefit under this chapter. Interest may not be allowed on any payment
23 made to a claimant pursuant to this chapter.

24 **3. Application periods beginning during or after January 2016; applications**
25 **filed after June 30th.** For application periods beginning during or after January 2016
26 and with respect to applications filed after June 30th but prior to the following November
27 15th, plus any time granted to file, at least monthly on or before the last day of the month,
28 the State Tax Assessor shall determine the benefit for each claimant under this chapter
29 and certify the amount to the State Controller to be transferred to the so-called circuit
30 breaker reserve established, maintained and administered by the State Controller from
31 General Fund undedicated revenue. At least monthly, the assessor shall pay the certified
32 amounts to each approved applicant qualifying for the benefit under this chapter. Interest
33 may not be allowed on any payment made to a claimant pursuant to this chapter. The
34 assessor shall, to the extent feasible, permit claims under this chapter to be made in
35 conjunction with returns filed under Part 8.

36 **Sec. 5. 36 MRSA §6204**, as amended by PL 2005, c. 2, Pt. E, §3 and affected by
37 §§7 and 8, is repealed and the following enacted in its place:

38 **§6204. Filing date**

39 **1. Application period beginning August 1, 2014.** For the application period
40 beginning August 1, 2014, a claim may not be paid unless the claim is filed with the
41 bureau on or after August 1, 2014 and on or before May 31, 2015.

1 benefit periods after 2014, the application must be filed during or after January and on or
2 before the following November 15th.

3 The bill expands eligibility under the program by increasing maximum income
4 thresholds from \$60,000 to \$80,000 for single-member households and from \$80,000 to
5 \$110,000 for households with 2 or more members. The bill also increases the maximum
6 benefit from \$2,000 to \$3,000.