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No. 1443

H.P. 1055

House of Representatives, April 2, 2019

An Act To Enact the Senior Property Tax Reimbursement Act

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative PICKETT of Dixfield.
Cosponsored by Senator CLAXTON of Androscoggin and
Representatives: ANDREWS of Paris, DILLINGHAM of Oxford, HAGGAN of Hampden,
HANINGTON of Lincoln, KINNEY of Knox, MARTIN of Sinclair, SKOLFIELD of Weld,
STEWART of Presque Isle.

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

2 **Sec. 1. 36 MRSA c. 906** is enacted to read:

3 **CHAPTER 906**

4 **SENIOR PROPERTY TAX REIMBURSEMENT ACT**

5 **§6171. Short title**

6 This chapter may be known and cited as "the Senior Property Tax Reimbursement
7 Act."

8 **§6172. Definitions**

9 As used in this chapter, unless the context otherwise indicates, the following terms
10 have the following meanings.

11 **1. Claim.** "Claim" means a request for reimbursement under this chapter.

12 **2. Homestead.** "Homestead" means the owner-occupied principal dwelling, either
13 real or personal property, owned by the taxpayer and up to 10 contiguous acres upon
14 which it is located. If the homestead is located in a multi-unit building, the homestead is
15 the portion of the building actually used as the principal dwelling and its percentage of
16 the value of the common elements and of the value of the tax lot upon which it is built.
17 The percentage is the value of the unit consisting of the homestead compared to the total
18 value of the building exclusive of the common elements, if any.

19 **3. Household.** "Household" means a claimant and spouse and members of the
20 household for whom the claimant is entitled to claim an exemption as dependents under
21 Part 8 for the year for which reimbursement is requested.

22 **4. Liquid asset.** "Liquid asset" means something of value available to an individual
23 that can be converted to cash in 3 months or less and includes bank accounts, certificates
24 of deposit, money market or mutual funds, life insurance policies, stocks and bonds,
25 lump-sum payments, inheritances and funds from a home equity conversion mortgage
26 that are in the individual's possession whether they are in cash or have been converted to
27 another form.

28 **5. Retirement age.** "Retirement age" has the same meaning as under 42 United
29 States Code, Section 416(l).

30 **6. Taxes.** "Taxes" means ad valorem taxes and assessments on a homestead.

31 **7. Taxpayer.** "Taxpayer" means an individual who has filed a claim for
32 reimbursement under this chapter or 2 or more individuals who have jointly filed a claim
33 for reimbursement under this chapter.

1 **§6173. Claim is personal**

2 The right to file a claim for reimbursement under this chapter is personal to the
3 taxpayer and does not survive the taxpayer's death, but the right may be exercised on
4 behalf of a taxpayer by the taxpayer's legal guardian or attorney-in-fact. If a taxpayer dies
5 after having filed a timely claim, the amount of the reimbursement must be disbursed to
6 another member of the household as determined by the assessor.

7 If the taxpayer was the only member of a household, the reimbursement may be paid
8 to the taxpayer's personal representative, but if one is not appointed within 2 years of the
9 filing of the claim, the amount of the reimbursement reverts to the State.

10 **§6174. Reimbursement to be paid from the General Fund**

11 The amount of a reimbursement certified by the assessor under section 6175 must be
12 paid to the taxpayer from the General Fund. Interest is not allowed on any payment made
13 to a taxpayer pursuant to this chapter.

14 **§6175. Procedure for reimbursement**

15 Within 30 days of receiving a claim under section 6176, the assessor shall determine
16 if a taxpayer is eligible for reimbursement and the amount of the taxes to be reimbursed
17 under section 6177 and shall certify that amount to the Treasurer of the State who shall
18 make payment to the taxpayer on or before the 15th day of the following month.

19 **§6176. Filing a claim; eligibility standards**

20 **1. Eligibility.** A taxpayer is eligible for reimbursement under this chapter if:

21 A. The taxpayer reaches retirement age or is older than retirement age on April 1st of
22 the year in which the claim is filed;

23 B. The taxpayer's household income, as defined in section 5219-KK, subsection 1,
24 paragraph D, was less than \$40,000 for the calendar year immediately preceding the
25 calendar year in which the claim is filed;

26 C. The taxpayer, if filing individually, has liquid assets of less than \$50,000 or, in the
27 case of 2 or more individuals filing a claim jointly, all the individuals together have
28 liquid assets of less than \$75,000; and

29 D. The taxpayer qualifies for and receives a homestead exemption under chapter
30 105, subchapter 4-B for the homestead for which a claim is made.

31 **2. Filing claim.** An individual may annually file a claim for reimbursement under
32 this chapter with the bureau on or after August 1st but no later than April 1st of the
33 following year. Claims must be filed on a form approved by the assessor and include all
34 information requested by the assessor.

35 **§6177. Reimbursement amount**

36 A taxpayer determined eligible for reimbursement under this chapter must receive
37 reimbursement for the difference between the taxes assessed in the year the taxpayer

1 reached retirement age and the taxes assessed in the year for which a claim is filed,
2 except that claims of less than \$5 may not be granted.

3 **§6178. One claim**

4 Only one taxpayer per homestead per year is entitled to reimbursement under this
5 chapter.

6 **§6179. Administration**

7 The assessor shall make available forms with instructions for individuals to claim
8 reimbursement under this chapter. A claim must be in the form prescribed by the
9 assessor and must require a signature by the individual claiming reimbursement. The
10 assessor shall also provide a paperless option for filing an application under this chapter.

11 **§6180. Audit**

12 If, on the audit of any claim filed under this chapter, the assessor determines the
13 amount of reimbursement to have been incorrectly determined, the assessor shall
14 redetermine the claim and shall notify the taxpayer of the redetermination and the reasons
15 for it. The redetermination is reviewable in accordance with section 151. If the claim has
16 been paid, the amount paid in excess of that legally due is subject to interest at the rate
17 determined pursuant to section 186. The assessor may credit amounts payable to a
18 taxpayer under this chapter against a liability of that taxpayer pursuant to this section.

19 **§6181. Denial of claim**

20 **1. Fraudulent claim.** If the assessor determines that a claim under this chapter is
21 excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the
22 claim has been paid, the amount paid may be recovered by assessment, collection and
23 enforcement in the manner provided in chapter 7. A person who, with fraudulent intent,
24 files or prepares an excessive claim, assists in the preparation or filing of an excessive
25 claim or supplies information in support of an excessive claim commits a Class E crime.

26 **2. Negligent claim.** If the assessor determines that a claim under this chapter is
27 excessive and was negligently prepared, the amount claimed in excess of that legally due
28 plus 10% of the corrected claim must be disallowed. If the claim has been paid, the
29 amount disallowed may be recovered by assessment, collection and enforcement in the
30 manner provided in chapter 7.

31 **3. Unpaid liability.** A person who has an unpaid liability arising from this section
32 and the spouse of that person are disqualified from receiving reimbursement under this
33 chapter.

34 **§6182. Appeal**

35 A denial in whole or in part of relief claimed under this chapter may be appealed in
36 accordance with section 151.

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§6183. Disqualification of claim

If the assessor finds that the taxpayer received title to the homestead primarily for the purpose of receiving reimbursement under this chapter, the claim is disqualified.

§6184. Extension of time for filing claim

In case of sickness, absence or other disability, or if, in the judgment of the assessor, good cause exists, the assessor may extend, for a period not to exceed 2 months, the time for filing a claim. A request for an extension may be submitted at any time during the 2-month extension period.

SUMMARY

This bill provides state reimbursement to eligible individuals for the portion of property taxes on their homesteads for a tax year that exceeds the property taxes for the year in which they reached retirement age as defined under the federal Social Security Act. For an individual to be eligible, the individual must be receiving a homestead exemption, have a household income of less than \$40,000 and, if filing individually, have liquid assets of less than \$50,000 or, if household members are filing jointly, have liquid assets of less than \$75,000.