



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1126

H.P. 777

House of Representatives, March 26, 2015

**An Act To Provide Property Tax Deferral for Senior Citizens and
People with Disabilities**

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative COOPER of Yarmouth.
Cosponsored by Senator GRATWICK of Penobscot and
Representatives: BEAVERS of South Berwick, BEEBE-CENTER of Rockland, HYMANSON
of York, Senator: BAKER of Sagadahoc.

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

2 **Sec. 1. 36 MRSA §5403**, as repealed and replaced by PL 2013, c. 551, §4, is
3 amended to read:

4 **§5403. Annual adjustments for inflation**

5 Beginning in 2015, and each calendar year thereafter, on or about September 15th,
6 the assessor shall multiply the cost-of-living adjustment for taxable years beginning in the
7 succeeding calendar year by the dollar amounts of the tax rate tables specified in section
8 5111, subsections 1-D, 2-D and 3-D and of the benefit base amounts in section 5219-KK,
9 subsection 1, paragraph A. Beginning in 2013, and each calendar year thereafter, on or
10 about September 15th, the assessor shall multiply the cost-of-living adjustment for
11 taxable years beginning in the succeeding calendar year by the dollar amount of the
12 itemized deduction limitation amount in section 5125, subsection 4. Beginning in 2016,
13 and each calendar year thereafter, on or about September 15th, the assessor shall multiply
14 the cost-of-living adjustment for taxable years beginning in the succeeding calendar year
15 by the dollar amount of the income limitation amount in section 6251, subsection 1,
16 paragraph B. If the benefit base amounts, itemized deduction limitation amount, income
17 limitation amount or the dollar amounts of each rate bracket, adjusted by application of
18 the cost-of-living adjustment, are not multiples of \$50, any increase must be rounded to
19 the next lowest multiple of \$50. If the cost-of-living adjustment for any taxable year
20 would be less than the cost-of-living adjustment for the preceding calendar year, the cost-
21 of-living adjustment is the same as for the preceding calendar year. The assessor shall
22 incorporate such changes into the income tax forms, instructions and withholding tables
23 for the taxable year.

24 **Sec. 2. 36 MRSA §6251, sub-§1**, as repealed and replaced by PL 1993, c. 395,
25 §31, is amended to read:

26 **1. Filing claim.** Subject to section 6252, an individual or 2 or more individuals
27 jointly may elect to defer the property taxes on their homestead by filing a claim for
28 deferral with the municipal assessor after January 1st but no later than April 1st of the
29 first year in which deferral is claimed if:

30 A. The individual or ~~each~~ at least one individual, in the case of 2 or more individuals
31 filing a claim jointly, is 65 years of age or older or retired from gainful employment
32 by reason of physical disability on April 1st of the year in which the claim is filed;
33 and

34 B. The individual or, in the case of 2 or more individuals filing a claim jointly, all the
35 individuals together have ~~household~~ income, as defined in section ~~6201~~ 5219-KK,
36 subsection ~~7~~ 1, paragraph D, of less than ~~\$32,000~~ \$40,000 for the calendar year
37 immediately preceding the calendar year in which the claim is filed.

38 The municipal assessor shall forward each claim filed under this subsection to the bureau
39 within 30 days of receipt and the bureau shall determine if the property is eligible for
40 deferral.

1 Claims from new applicants may not be filed pursuant to this chapter prior to January 1,
2 1994. For purposes of this section, "new applicants" means any person or persons that
3 have not filed claims prior to April 1, 1991.

4 **Sec. 3. 36 MRSA §6251, sub-§2**, as enacted by PL 1989, c. 534, Pt. C, §1, is
5 amended to read:

6 **2. Property tax deferral.** ~~When the~~ If a taxpayer elects is determined to be eligible
7 to defer property taxes for any year by filing a claim for deferral under subsection 1, it
8 ~~shall have~~ has the effect of:

9 A. Deferring the payment of the property taxes levied on the homestead for the
10 municipal fiscal year beginning on or after April 1st of that year;

11 B. Continuing deferral of the payment by the taxpayer of any property taxes deferred
12 under this chapter for previous years that have not become delinquent under section
13 6260; and

14 C. Continuing the deferral of the payment by the taxpayer of any future property
15 taxes for as long as the provisions of section 6252 are met.

16 **Sec. 4. 36 MRSA §6253**, as enacted by PL 1989, c. 534, Pt. C, §1, is amended to
17 read:

18 **§6253. Claim forms; contents**

19 **1. Administration.** A taxpayer's claim for deferral under this chapter ~~shall~~ must be
20 in writing on a form supplied by the bureau and ~~shall~~ must:

21 A. Describe the homestead;

22 B. ~~Recite facts~~ Provide information establishing the eligibility for the deferral under
23 the provisions of this chapter, including ~~facts that establish~~ information that
24 establishes that the ~~household~~ household income, as defined in section ~~6204~~ 5219-KK,
25 subsection ~~7~~ 1, paragraph D, of the individual, or, in the case of 2 or more individuals
26 claiming the deferral jointly, was less than ~~\$32,000~~ \$40,000 for the calendar year
27 immediately preceding the calendar year in which the claim is filed; and

28 C. ~~Have attached~~ Contain any ~~documentary proof~~ information required by the bureau
29 to show that the requirements of section 6252 have been met.

30 **2. Statement verification.** ~~There shall be annexed to the~~ The claim must contain a
31 statement verified by a written declaration of the applicant making the claim ~~to the effect~~
32 that the statements contained in the claim are true.

33 **Sec. 5. 36 MRSA §6261, sub-§1, ¶A**, as enacted by PL 1989, c. 534, Pt. C, §1, is
34 amended to read:

35 A. The spouse of the taxpayer is or will be ~~65~~ 60 years of age or older not later than
36 6 months from the day the circumstance listed in section 6259, subsections 1 to 3
37 occurs; and

1 **Sec. 6. 36 MRSA §6261, sub-§2**, as enacted by PL 1989, c. 534, Pt. C, §1, is
2 amended to read:

3 **2. Continuation of deferral by spouse.** A spouse who does not meet the age
4 requirements of subsection 1, paragraph A, but is otherwise qualified to continue the
5 property in its tax-deferred status under subsection 1 may continue the deferral of
6 property taxes deferred for previous years by filing a claim within the time and in the
7 manner provided under section 6251. If a spouse eligible for and continuing the deferral
8 of taxes previously deferred under this subsection becomes ~~65~~ 60 years of age prior to
9 April 1st of any year, the spouse may elect to continue the deferral of previous years'
10 taxes deferred under this subsection and may elect to defer the current assessment year's
11 taxes on the homestead by filing a claim within the time and in the manner provided
12 under section 6251. Thereafter, payment of the taxes levied on the homestead and
13 deferred under this subsection and payment of taxes levied on the homestead in the
14 current assessment year and in future years may be deferred in the manner provided in
15 and subject to this chapter.

16 **Sec. 7. 36 MRSA §6267**, as enacted by PL 1993, c. 707, Pt. G, §10, is repealed.

17 SUMMARY

18 This bill reinstates the State's property tax deferral program, which was in effect for
19 applications filed before April 1, 1991. The bill modifies the program to include
20 households with at least one individual who is 65 years of age or older or who retired
21 from gainful employment due to disability and to surviving spouses who are at least 60
22 years of age, and provides that household income must be less than \$40,000. This limit is
23 indexed for inflation in 2016 and annually thereafter.