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S.P. 398

In Senate, March 11, 2025

An Act to Expand Property Tax Relief for Veterans and Their Survivors

Received by the Secretary of the Senate on March 5, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator PIERCE of Cumberland.
Cosponsored by Representative GRAHAM of North Yarmouth and
Senators: FARRIN of Somerset, NANGLE of Cumberland, RENY of Lincoln.

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

2 **Sec. 1. 36 MRSA §653, sub-§1, ¶C**, as amended by PL 2023, c. 441, Pt. B, §1 and
3 affected by §7, is further amended to read:

4 C. The estates up to the just value of ~~\$6,000~~ \$5,000, having a taxable situs in the place
5 of residence, of veterans who served in the Armed Forces of the United States; except
6 that, for veterans who are 62 years of age or older, the exemption is up to \$6,000 of the
7 just value.

8 ~~(1) During any federally recognized war period, including the Korean Conflict,~~
9 ~~the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July~~
10 ~~31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring~~
11 ~~Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period~~
12 ~~from February 1, 1955 to February 27, 1961, or who were awarded an~~
13 ~~expeditionary medal for service in the Armed Forces of the United States, when~~
14 ~~they have reached the age of 62 years or when they are receiving any form of~~
15 ~~pension or compensation from the United States Government for total disability,~~
16 ~~service-connected or nonservice-connected, as a veteran. A veteran of the Vietnam~~
17 ~~War must have served on active duty after February 27, 1961 and before May 8,~~
18 ~~1975. "Persian Gulf War" means service on active duty on or after August 2, 1990~~
19 ~~and before or on the date that the United States Government recognizes as the end~~
20 ~~of that war period; or~~

21 ~~(2) Who are disabled by injury or disease incurred or aggravated during active~~
22 ~~military service in the line of duty and are receiving any form of pension or~~
23 ~~compensation from the United States Government for total, service-connected~~
24 ~~disability.~~

25 The exemptions provided in this paragraph apply to the property of that veteran,
26 including property held in joint tenancy with that veteran's spouse or held in a revocable
27 living trust for the benefit of that veteran.

28 **Sec. 2. 36 MRSA §653, sub-§1, ¶C-1**, as amended by PL 1995, c. 368, Pt. CCC,
29 §2 and affected by §11, is further amended to read:

30 C-1. The estates up to the just value of \$7,000, having a taxable situs in the place of
31 residence of veterans who served in the Armed Forces of the United States during ~~any~~
32 ~~federally recognized war period during or before World War I and who would be~~
33 ~~eligible for an exemption under paragraph C.~~

34 The exemption provided in this paragraph is ~~in lieu of any exemption under paragraph~~
35 ~~C to which the veteran may be eligible and applies to the property of that veteran,~~
36 including property held in joint tenancy with that veteran's spouse or held in a revocable
37 living trust for the benefit of that veteran.

38 **Sec. 3. 36 MRSA §653, sub-§1, ¶C-2** is enacted to read:

39 C-2. The estates, having a taxable situs in the place of residence of veterans who served
40 in the Armed Forces of the United States and have a service-connected disability rating
41 as determined by the United States Department of Veterans Affairs of 60% or greater,
42 as follows.

1 (1) For a veteran with a service-connected disability rating of 100%, the exemption
2 is up to \$50,000 of the just value.

3 (2) For a veteran with a service-connected disability rating of 90%, the exemption
4 is up to \$40,000 of the just value.

5 (3) For a veteran with a service-connected disability rating of 80%, the exemption
6 is up to \$30,000 of the just value.

7 (4) For a veteran with a service-connected disability rating of 70%, the exemption
8 is up to \$20,000 of the just value.

9 (5) For a veteran with a service-connected disability rating of 60%, the exemption
10 is up to \$10,000 of the just value.

11 The exemptions provided in this paragraph apply to the property of that veteran,
12 including property held in joint tenancy with that veteran's spouse or held in a revocable
13 living trust for the benefit of that veteran.

14 **Sec. 4. 36 MRSA §653, sub-§1, ¶D,** as amended by PL 2007, c. 240, Pt. PPPP,
15 §2, is repealed.

16 **Sec. 5. 36 MRSA §653, sub-§1, ¶D-1,** as amended by PL 2023, c. 441, Pt. B, §2
17 and affected by §7, is further amended to read:

18 D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of
19 residence, for specially adapted housing units, of veterans who served in the Armed
20 Forces of the United States ~~during any federally recognized war period, including the~~
21 ~~Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24,~~
22 ~~1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring~~
23 ~~Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period~~
24 ~~from February 1, 1955 to February 27, 1961, or who were awarded an expeditionary~~
25 ~~medal for service in the Armed Forces of the United States, and who are veterans as~~
26 ~~described in 38 United States Code, Section 2101, and who received a grant from the~~
27 ~~United States Government for any such housing, or of the unremarried widows or~~
28 ~~widowers of those veterans. A veteran of the Vietnam War must have served on active~~
29 ~~duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means~~
30 ~~service on active duty on or after August 2, 1990 and before or on the date that the~~
31 ~~United States Government recognizes as the end of that war period. The exemption~~
32 ~~provided in this paragraph applies to the property of the veteran including property~~
33 ~~held in joint tenancy with a spouse or held in a revocable living trust for the benefit of~~
34 ~~that veteran.~~

35 **Sec. 6. 36 MRSA §653, sub-§1, ¶D-2,** as amended by PL 2003, c. 702, §3, is
36 repealed.

37 **Sec. 7. 36 MRSA §653, sub-§1, ¶D-3,** as amended by PL 2003, c. 702, §4, is
38 repealed.

39 **Sec. 8. 36 MRSA §653, sub-§1, ¶E,** as amended by PL 2023, c. 360, Pt. A, §7, is
40 further amended to read:

41 E. ~~The word "veteran" as used in this subsection~~ For purposes of this section, "veteran"
42 means an individual who was on active duty in the Armed Forces of the United States

1 and who, if discharged, retired or separated from the Armed Forces, was discharged,
2 retired or separated under other than dishonorable conditions. "Veteran" also includes:

3 (1) The unremarried surviving spouse or minor child of a veteran who would be
4 entitled to an exemption under this section if living, or who is in receipt of a
5 pension or compensation from the Federal Government as the surviving spouse or
6 minor child of a veteran; and

7 (2) The parent of a deceased veteran who is 62 years of age or older and is an
8 unremarried surviving spouse who is in receipt of a pension or compensation from
9 the Federal Government based upon the service-connected death of that parent's
10 child.

11 Individuals seeking an exemption as the unremarried surviving spouse, minor child or
12 parent of a veteran as described in subparagraphs (1) and (2) are eligible for the
13 exemption that the veteran would be eligible for pursuant to this section if the veteran
14 was living.

15 **Sec. 9. 36 MRSA §841, sub-§4**, as amended by PL 2017, c. 367, §8, is further
16 amended to read:

17 **4. Veteran's ~~widow or widower~~ surviving spouse or minor child.** Notwithstanding
18 failure to comply with section 706-A, the assessors, on written application within one year
19 from the date of commitment, may make such abatement as they think proper in the case
20 of the unremarried ~~widow or widower~~ surviving spouse or the minor child of a veteran, if
21 the ~~widow, widower~~ surviving spouse or child would be entitled to an exemption under
22 section 653, subsection 1, paragraph ~~D~~ E, except for the failure of the ~~widow, widower~~
23 surviving spouse or child to make application and file proof within the time set by section
24 653, subsection 1, paragraph G, if the veteran died during the 12-month period preceding
25 the April 1st for which the tax was committed.

26 **Sec. 10. Application.** This Act applies to property tax years beginning on or after
27 April 1, 2026.

28 SUMMARY

29 This bill changes the property tax benefits for veterans of the Armed Forces of the
30 United States for property tax years beginning on or after April 1, 2026. The bill provides
31 that veterans are no longer required to have served during a federally recognized war period
32 and receive an exemption of up to \$5,000 of the just value of the property. It provides that
33 veterans who are 62 years of age or older receive an exemption of up to \$6,000 of the just
34 value of the property. It also provides that veterans receive an exemption of between
35 \$10,000 and \$50,000 based on their United States Department of Veterans Affairs service-
36 connected disability rating. The bill provides that a veteran's unremarried surviving spouse,
37 minor child or parent remains eligible for the benefit that the veteran would be eligible for
38 if the veteran was living.