



April 12, 2023

LD 1335, An Act to Amend the Property Tax Stabilization for Senior Citizens Law - Rep. David Boyer of Poland

LD 1413, An Act to Amend the Laws Establishing a Property Tax Stabilization Program for Senior Citizens - Rep. Ronald Russell of Verona Island

Testimony of John Brautigam, Esq., Legal Services for the Elderly

Senator Grohoski, Representative Perry, and members of the Joint Standing Committee on Taxation: On behalf of Legal Services for the Elderly I would like to offer a few words regarding LD 1335 and LD 1413 and the general topic of property tax relief and how it affects Maine seniors. We testify today neither for nor against any specific bill but instead hope to offer information of use to the Committee.

Legal Services for the Elderly (LSE) is a nonprofit legal services organization with the mission of providing free legal assistance to Maine's older adults when their basic human needs are threatened.

Rather than take a position on any one of the property tax proposals under consideration this session, we would like to offer some principles and guidelines that in our opinion should inform the work of the Committee.

First, property tax relief should be **targeted** to those with the greatest financial need. This means homeowners or renters with low incomes and especially those, such as most retirees and other seniors, on fixed incomes. Property tax increases hit these residents the hardest. While everyone would like to see lower taxes across the board, there are wealthy folks whose need for these benefits is not as great.

Second, where eligibility for property tax relief depends on an income threshold, we would ask the Committee to include **all forms of income** in determining eligibility. It is appropriate to consider not just a person's income from work, but also income from all sources such as bonds or IRA proceeds.

Third, the Committee should consider the **unique advantages of a refundable tax credit**. A credit can be made available to anyone, even if they do not ordinarily have to

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file their income taxes. A credit has immediate benefits and does not directly depend on increases in the local mil rate or assessed value. And a credit has a known fiscal impact to the municipality and/or the state budget.

Fourth, an enormous number of your constituents are **renters**, and they also bear some of the costs of increased property taxes through higher rents. We encourage the Committee to consider approaches that spread the benefit of property tax relief to this population.

In short, we would like to see property tax relief that is effective, immediate, and targeted to those who most need assistance. That would include seniors on a fixed income who own their homes or are renters.

Finally, we are not testifying on Representative Moriarty's bill LD 1380 regarding allowing municipalities to create a program by ordinance. We will listen with great interest to that proposal and the testimony of those who have analyzed it in detail.

Thank you for letting us share our thoughts on this legislation.