

William Laubenstein
Maine Assoc. of Retirees
LD 7

DATE: March 19, 2025

TO: Senator Nicole Grohoski
Representative Kristen Cloutier
Members, Committee on Taxation

FROM: William H. Laubenstein, III, President, Maine Association of Retirees
SUBJECT: LD 7, An Act to Increase the Homestead Property Tax Exemption for Residents 65 Years of Age or Older; LD 140, Act to incrementally Increase the Homestead Property Tax Exemption; LD 570, An Act to Provide an Additional Maine Resident Homestead Property Tax Exemption Based on Income; LD 658, Act to Lower Property Taxes by Increasing the Homestead Property Tax Exemption; LD 934, An Act to Provide 100 Percent of the Maine Resident Homestead Property Tax Exemption to Senior and Veterans

Senator Grohoski, Representatives Cloutier, and members of the Committee on Taxation. My name is William H. Laubenstein, III. I am President of the Maine Association of Retirees (MAR) whose membership includes retired State employees, educators, municipalities and other public service retirees.

MAR supports LD 7, LD 140, LD 570, LD 658, and LD 934. All of these bills seek to increase the Homestead Property Tax Exemption.

LD 658 would provide an additional homestead exemption of \$150,000 beginning April 1, 2020 and for the years 2022, 2023 and 2024, then rising to \$40,000 beginning on or after April 1, 2025. LD 140 would incrementally increase the tax exemption for eligible homesteads from \$15,000 as of April 1, 2025 to \$10,000 annually as of April 1, 2025 and thereafter until the additional exemption equals \$85,000. Beginning with tax year April 1, 2033, the State Tax Assessor will make a cost-of-living adjust to the exemption amount.

LD 570 would provide an additional homestead exemption of \$75,00 based on the federal adjusted gross income of the eligible property owner;

LD 7 would limit eligibility too residents 65 years or older who have resided on the homestead for at least 10 years. The exemption amount is the just value of \$75,00 of the homestead. LD 934, for eligible homesteads and permanent residents 65 years of age or older or veterans who served in the Armed Forces of the United States, beginning tax years on or after April 1, 2026, the homestead exemption would be 100% of the exemption, regardless of the assessment ratio.

MAR members, most of whom rely solely on their MainePERS pension benefits, have been hit hard as they watch inflation increase the cost of services and goods erode their already limited purchasing power.¹

¹ In this regard, it should be noted that the average annual MainePERS pension benefit in 2023 was only \$25,618.

It is not enough that the bell-weather cost of eggs has been stubbornly high, but recently announced trade policies by the administration in Washington herald a sharp rise in inflation. The LDs listed above would ease critically the financial stress now being experienced by older Maine residents, a financial stress that is likely to continue in the present environment in Washington.

MAR urges the Committee to carefully consider LDs 7, 140, 570, 658 and 934 and work to find a path forward to incase the Homestead Property Tax Exemption.

Leading the Way for Maine Retirees

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