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Testimony on behalf of Maine Equal Justice in support of LD 1770, An Act to Provide Immediate and Long-term Property Tax Relief to Maine Households

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Good afternoon Senator Grohoski, Representative Cloutier, and Members of the Taxation Committee. My name is Ann Danforth and I use she/her pronouns. I'm a Senior Policy Advocate at Maine Equal Justice (MEJ), a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine.

Maine Equal Justice has been active at the State House for over 25 years. Our work focuses on many of the issues that affect people's daily lives – access to adequate health care, housing, transportation and childcare; food and income security; and higher education and training. MEJ works in partnership with people living in poverty to organize and advocate together for equitable laws and policies. We also provide education and training throughout the state on programs and policies that directly impact individuals and families living with limited means.

I'm here today to testify in support of LD 1770.

Tax relief programs like the Property Tax Fairness Credit that provide relief to renters, as opposed to just homeowners, are particularly important because of Maine's housing crisis, which is disproportionately harming renters. Even before the pandemic, Maine's rental housing market was among the least affordable in the nation. Nearly 65% of extremely low-income households pay more than 50% of their monthly income towards rent, a threshold which HUD deems severely rent burdened.¹ Finding affordable housing has become so difficult, many Mainers become homeless because they simply cannot find somewhere to live that meets their budget. These rent burdened Mainers are some of the people most directly harmed by Maine's housing crisis and the people most desperately in need of the relief provided by the Property Tax Fairness Credit.

The Property Tax Fairness Credit provides targeted relief to low income renters and homeowners

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<https://nlihc.org/housing-needs-by-state/maine#:~:text=Across%20Maine%2C%20there%20is%20a,Source:%202023%20ACS%20PUMS>

The Property Tax Fairness Credit takes steps to provide relief to people paying a disproportionate portion of their income towards property taxes by providing a portion of the property tax or rent paid during the tax year back to the tax filer.

Unlike some of the other programs and proposals this committee has and may consider, such as the Property Tax Freeze, Homestead Exemption, and the Property Tax Deferral Program, the PTFC provides targeted relief to both renters *and* homeowners. This makes it a program that better serves people with low-income, targeting our resources and with the recognition that renters are facing a property tax burden as well, and are typically less wealthy than homeowners. Furthermore, the credit is income targeted, available to people with low to moderate incomes. And lastly, the credit is fully refundable, meaning it is available to people with the lowest income who are in greatest need of financial support.

Expanding the maximum amount of the PTFC will build on an established and effective program.

We applaud the fact that over the past few years, the Administration and legislature have taken steps to expand the PTFC, recognizing its value to Maine people. LD 1770 would build on this progress to further improve a proven effective program by increasing the maximum amount people are eligible for by \$500.

LD 1770 would also establish the Real Estate Property Tax Relief Task Force to examine property taxes and property tax relief programs and make recommendations for improving them. We are glad to see the inclusion of a representative with low income on the Task Force and encourage the Task Force to take into consideration the experiences of low income renters in its work, including the historically low take-up rate of the PTFC among low income renters.

Thank you for your time and I'm happy to answer any questions you may have.

Ann Danforth