

TESTIMONY ON L.D. 715

An Act to Provide Property Tax Relief by Increasing the Availability of the Property Tax Fairness Credit Based on a Resident's Age and Income

Chairpersons and Members of the Joint Standing Committee on Taxation.

I am Carol Carothers, a 72 year old retiree living in the town of Belgrade. I have lived, worked, and paid taxes in Maine since 1981. I have lived in Belgrade since 2007. I am here today to speak in favor of L.D. 715 and any other bills that come before you this session that will reduce the property tax burden on Mainers.

Google tells me that there are 294,000 Mainers over the age of 65, 78.6% of them own a home and their average retirement income is \$26,133. I fall pretty generally into those statistics.

I want to start by recognizing the important services and benefits that I receive in return for my taxes. Roads are maintained, snow removed, children educated, public safety protected and so on. Unfortunately, the property tax is not based on income, but on rising property values inflated in recent years. In my lakeside community, property values have skyrocketed and are forcing longtime residents to consider if they can remain, if they have to sell, and if they sell, where they can afford to go. Most of my neighbors are no longer year round residents. Property values and taxes have risen dramatically across the state, not just Belgrade, I am not the only Mainer struggling to hold onto my home.

In 2021, when the Legislature enacted a property tax cap for Maine seniors, I felt some relief. At that time, my property taxes were 19 percent of my income – the largest single item in my annual budget. The repeal didn't starve my town of revenue, I continued to write the same large check to them in September. After the repeal, I am sorry to say, my property taxes rose by over \$1,000, the highest amount ever. My property taxes are now 33.95% of my annual income and I expect that percentage to rise again this year as it does every year. I note that my house is small (just over 1,000 square feet and aging). As my home ages, the cost of maintenance and repairs rises. The property tax fairness credit provided me with a credit the equivalent of 1/12<sup>th</sup> of my tax. I am grateful for any and all assistance, but this is not enough in the big picture for me to remain in my home long term.

Inflation is 3%. The increase in the cost of eggs is, WCSH news informed me this week, 8.4%. My property taxes increased last year by 16.7% though my town had almost one year's annual budget in unrestricted funds on hand at the time. No other taxes in Maine increase in this way. The income tax is based on what I earn. The state sales tax has remained at 6% for many years. When I buy a home, the mortgage does not increase each year and eventually is paid off. When I buy a car the excise tax goes down each year as the car ages. Property taxes are like having a mortgage that you can never pay off and that increases each year. I very much hope that you will find a way to address the unsustainable burden of property taxes on Mainers – and I thank you in advance for your efforts.