

132nd Legislature
Senate of
Maine
Senate District 29

Senator Anne Carney
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Testimony of Senator Anne Carney introducing
LD 1665, “An Act to Provide Property Tax Relief to Maine Families,”
before the Joint Standing Committee on Taxation
Thursday, May 1, 2025

Senator Grohoski, Representative Cloutier, and esteemed members of the Committee on Taxation, I am Senator Anne Carney, proudly representing Senate District 29, which includes South Portland, Cape Elizabeth and part of Scarborough. It is a pleasure to be with you today to introduce LD 1665, “An Act to Provide Property Tax Relief to Maine Families.”

Over the past few years, we have seen a lot of news about property tax increases, including in municipalities like South Portland in my district, presenting challenges to local residents and potentially forcing older Mainers from their homes. The Legislature has taken important strides to help protect our older neighbors from having to leave their homes due to property tax levels, but too many of our working families, which form a vital piece of our communities, have been left out.

I have heard from a lot of families in my community who have asked me to support property tax relief from the state because they fear high property taxes, on top of costs for child care, food, diapers, gas and more will force them out of our community. They want to raise their families in the towns and cities they love, places where many of them grew up themselves. But if property taxes continue on their current trajectory, these families know they won’t be able to stay in their communities.

Our municipal leaders are sounding the alarm on this as well. For instance, the City of South Portland included “Property Tax Reform/Relief” as their top legislative priority for this session, as you can see in the attached memo. One of their suggestions was to “increase the property tax fairness credit,” which is what the bill before you proposes to do — specifically for our working families who need it most.

LD 1665 increases the property tax fairness credit for financially strained families with children and for seniors, putting benefits for families with two or more children at parity with older Mainers. This legislation also increases the amount of the benefit base for families with children, which will expand the number of families who are eligible.

The property fairness tax credit is a great program because it is means-tested and accounts for differences in property tax burdens from place to place using the benefit base. It is not an irresponsible, across the board tax credit; instead, it targets our families and seniors who need this relief the most, with the greatest increase in benefit going to families at the lower end of the income spectrum.

Let me explain the actual numbers and increases in tax relief that are included in this bill and the sponsor's amendment you have before you, which corrects a drafting error that included the wrong dollar value for families with one child.

I'll start with the benefit base, which calculates how much of the property tax fairness credit a taxpayer qualifies for based on their income and how much they pay in property taxes. LD 1665 increases that benefit base for families with children: to \$4,000 for families with one child and to \$4,250 for families with two or more children. This amounts to an increase of several hundred dollars over the current benefit base for Maine families. It also increases the benefit base to \$4,250 for seniors.

Additionally, LD 1665 doubles the amount of the credit that can be taken each year, from \$1,000 to \$2,000, for families with one or more kids. This ensures that families at all eligible incomes should see increased relief.

This bill is an investment in our communities and our state's future. It's an investment in our children and their future. It's an investment in our families and the vibrancy they bring to our cities and towns. This bill is our opportunity to show Maine's working families how much we value them and how much we want them to be able to stay in their homes and raise their children in our communities. I ask that you join me in making this investment in our kids, our families, and our shared future.

Thank you for allowing me the opportunity to introduce this bill. I would be happy to answer any questions you may have.

Anne Carney
State Senator, District 29



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EXECUTIVE
DEPARTMENT

MEMORANDUM

TO: South Portland's State Legislative Delegation
FROM: Mayor Matthews and the South Portland City Council
RE: Legislative Priorities 2025-26
DATE: December 4, 2024

The South Portland City Council hereby requests that our legislative delegation introduce, co-sponsor, and/or support or oppose the following pieces of legislation, depending on the issue. Mayor Matthews and City Manager Morelli are happy to meet with you to discuss any and all of these matters.

Property Tax Reform/Relief

This past September, the City Council sent you a proclamation with several ideas as to how the State Legislature could enact meaningful property tax reform/relief. Some of these measures are straightforward and would require no financial commitment from the state (ex., local option sales tax), while others would be more complex and require a State Constitutional amendment (ex., how properties are assessed/taxed).

In addition to supporting the legislative platform of the Maine Municipal Association, Mayor's Coalition, and Maine Service Centers Coalition as they relate to property tax reform/relief, we urge you to support the following measures (some of which may be duplicative):

- Substantially increase the Homestead Exemption, and fully fund the lost revenue reimbursement to municipalities so that towns and cities do not need to hike the tax rate in order to make up for that lost revenue;
- Authorize a real property transfer tax that is paid at the time real property is sold;
- Authorize local option taxes that allow cities to impose local sales taxes that help capture revenue from out-of-staters and can reduce the amount of property taxes the need to be raised;
- Increase the property tax fairness credit and consider additional, means-based property tax relief programs;
- Increase state revenue sharing and/or revamp the formula so that communities with high values and lower tax rates are not penalized;
- Limit the allowable annual increase in assessed value of residential property used as a primary residence; and
- Implementing a split tax rate similar to Massachusetts, where residential properties are taxed at one mil rate and commercial properties are taxed at another (often higher) rate, within reason.

Related to the first bullet, fully funding the lost revenue from any increase in the Homestead Exemption is critical. If the Homestead is increased from \$25,000 to \$75,000 and the lost revenue from that increase is