

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: May 20, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review – LD 998

An amendment and fiscal note for LD 998 is attached for your review.

LD 998, An Act To Provide Consistency in the Application of the Property Tax Exemption for Religious Organizations

- The Committee voted OTPA\ONTP on April 11, 2013 and reconsidered the bill on May 7, 2013 with OTPA\ONTP report.
- This amendment, which is the majority report, changes the bill to retain the \$20,000 cap on the exemption for parsonages.
- The fiscal note is attached.

Please let me know if you have any questions or concerns.

Date:

(Filing No. S-)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT “ ” to S.P. 343, L.D. 998, Bill, “An Act To Provide Consistency in the Application of the Property Tax Exemption for Religious Organizations”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §652, sub-§1, ¶G, as amended by PL 2007, c. 627, §20, is further amended to read:

~~G. Houses of religious worship, including vestries, and the pews and furniture within them; tombs and rights of burial; and property owned and used by a religious society as a parsonage up to the value of \$20,000, and personal property not exceeding \$6,000 in value are~~ The real and personal property owned and occupied or used solely for its own purposes by a religious organization in connection with religious worship is exempt from taxation and a parsonage up to the just value of \$20,000 is exempt from taxation, except that any portion of a parsonage that is rented is subject to taxation. For purposes of this paragraph, "parsonage" means the principal residence provided by a religious society organization for its cleric whether or not the principal residence is located within the same municipality as the house of religious worship where the cleric regularly conducts religious services.

SUMMARY

This amendment changes the bill by retaining the \$20,000 limitation on the value of a parsonage. Like the bill, it expands the property tax exemption for property owned by religious organizations to include all real and personal property owned and occupied or used solely for its own purposes by a religious organization in connection with religious worship and removes the limitation of \$6,000 on the exemption for personal property.

COMMITTEE AMENDMENT



126th MAINE LEGISLATURE

LD 998

LR 1324(02)

An Act To Provide Consistency in the Application of the Property Tax Exemption for Religious Organizations

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | FY 2013-14 | FY 2014-15 | Projections FY 2015-16 | Projections FY 2016-17 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Appropriations/Allocations | | | | |
| General Fund | \$60,000 | \$60,000 | \$60,000 | \$60,000 |

Fiscal Detail and Notes

The bill includes annual General Fund appropriations to Maine Revenue Services of \$60,000 beginning in FY 2013-14 to reimburse municipalities for 50% of the revenue lost from expanding the property tax exemption for property owned by religious organizations to include all real and personal property owned and occupied or used solely for its own purposes by a religious organization. It removes the \$6,000 limitation on the exemption for personal property while maintaining the \$20,000 limitation on the exemption for parsonages. This appropriation is necessary to adhere to reimbursement requirements under Article IV, Part Third, Section 23 of the Maine Constitution.

Sec. Appropriations and allocations.

The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides ongoing appropriations to reimburse municipalities for 50% of the revenue lost from the expansion of the property tax exemption for property owned by religious organizations to include real and personal property owned and occupied or used solely for its own purposes and the removal of the \$6,000 limitation on the exemption for personal property while maintaining the \$20,000 limitation on the exemption for parsonages.

| GENERAL FUND | 2013-14 | 2014-15 |
|---------------------------|-----------------|-----------------|
| All Other | \$60,000 | \$60,000 |
| GENERAL FUND TOTAL | \$60,000 | \$60,000 |

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS**

| | 2013-14 | 2014-15 |
|-------------------------------------|-----------------|-----------------|
| GENERAL FUND | \$60,000 | \$60,000 |
| DEPARTMENT TOTAL - ALL FUNDS | \$60,000 | \$60,000 |