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JANET T. MILLS
GOVERNOR

ELAINE CLARK
COMMISSIONER

To: Joint Standing Committee on Taxation
Date: November 4, 2026
From: Maria French, Taxpayer Advocate and Experience Officer
RE: Special Report of the Taxpayer Advocate and Experience Officer

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Introduction

The Legislature passed P.L. 2025, c. 486 (LD 1876), *An Act to Change the Name and Duties of the Taxpayer Advocate to Increase the Use of State Tax Credits*, which rebranded the position as the Taxpayer Advocate and Experience Officer and shifted the position's directive to include more outreach and advocacy. The reenvisioned focus of the position is to 1) act as a guide to taxpayers with a disputed matter by establishing a best contact within Maine Revenue Services to review the taxpayer's issues, facilitating speedy resolution if possible; and 2) assist in advancing awareness of and simplified access to tax benefit programs, such as the earned income tax credit, dependent exemption credit, property tax fairness credit, sales tax fairness credit, and property tax deferral program.

The enacted law also added a substantial temporary charge for the Taxpayer Advocate and Experience Officer to undertake a study and file a special report with the Legislature by November 4, 2026, regarding individual state tax credits and tax relief programs. More specifically, the Taxpayer Advocate and Experience Officer was directed to: study the use of state tax credits; study the current practices of large tax preparation firms with respect to state tax credits; address the role of State Government in promoting public awareness of state tax credits; study and address current practices of municipalities related to promoting state tax credits and tax relief programs; and submit a report with their findings and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters.

The Taxpayer Advocate and Experience Officer started in the reenvisioned position on August 31, 2026. Due to the limited amount of time in the position, the Taxpayer Advocate and Experience Officer focused in large part on the study of the use of state tax credits, the barriers to accessing them, and recommendations to help improve uptake. The studies required are ongoing and will be further addressed in future annual reports.

Study of the Use of State Tax Credits

Per P.L. 2025, c. 486, the Taxpayer Advocate and Experience Officer shall study the use of state tax credits by determining the rate at which eligible individuals are accessing available state tax credits; identifying and assessing current barriers that may be negatively affecting the rate at which credits are being accessed; and developing recommendations to address any eligible individuals not accessing available state tax credits.

Determining the rates at which eligible individuals are accessing available tax credits cannot be reasonably estimated for each refundable credit. Tax return data is available, but eligibility estimates also require high-quality data on non-filers as well as additional variables from non-claimant filers. Nevertheless, it is possible to identify possible current barriers in existence that may impact the rate at which individuals claim these credits. Furthermore, statistical data relevant to gauging use of individual state tax credits is available: statistics on the uptake of the Property Tax Fairness Credit ("PTFC") and the Sales Tax Fairness Credit ("STFC") can be provided for tax years 2023, 2024, and 2025.

In 2023, a total of 242,234 returns were filed by individuals to claim the PTFC and the STFC. Of those returns, 204,906 (84.5%) were filed electronically, 28,041 (11.5%) were filed by paper, and 9,287 (4%) were filed using the Maine Tax Portal. 73,445 (30.3%) returns were filed claiming both credits, 49,018 (20.3%) returns were filed claiming the PTFC, and 119,771 (49.4%) returns were filed claiming the STFC. The amount of PTFC issued for the 242,234 returns filed was $81,285,800, for an average PTFC of $336, and the amount of STFC issued was $27,799,428, for an average STFC of $115.

In 2024, a total of 258,816 returns were filed by individuals to claim the PTFC and the STFC, an increase of approximately 6.84% from 2023. Of those returns, 224,773 (86.8%) were filed electronically, 23,769 (9.2%) were filed by paper, and 10,274 (4%) were filed using the Maine Tax Portal. 77,799 (30%) returns were filed claiming both credits, 61,606 (23.9%) returns were filed claiming the PTFC, and 119,411 (46.1%) returns were filed claiming the STFC. The amount of PTFC issued for the 258,816 returns filed was $117,601,077, for an average PTFC of $454 and an increase of approximately 44.67% from 2023, and the amount of STFC issued was $30,180,050, for an average STFC of $116 and an increase of approximately 8.56% from 2023.[1]

In 2025, a total of 260,416 returns were filed by individuals to claim the PTFC and the STFC, an increase of approximately 7.5% from 2023 and approximately 1% from 2024. Of those returns, 228,955 (87.9%) were filed electronically, 19,875 (7.6%) were filed by paper, and 11,586 (4.5%) were filed using the Maine Tax Portal. 78,366 (30%) returns were filed claiming both credits, 66,074 (25.5%) returns were filed claiming the PTFC, and 115,976 (44.5%) returns were filed claiming the STFC. The amount of PTFC issued for the 260,416 returns filed was $125,283,048, for an average PTFC of $481, an increase of approximately 54.12% from 2023, and 6.53% from 2024, and the amount of STFC issued was $30,460,396, for an average STFC of $117, an increase of approximately 9.57% from 2023 and .09% from 2024.

[1] P.L. 2023, c. 412 (LD 258) Parts S-2 - S-5 increased the benefit and maximum credit amounts for taxpayers 65 and older. This law first impacted tax year 2024 and was the likely cause of the 45% increase in the PTFC.

Based on information provided by CA$H Maine, AARP Tax Aide, Tax Counseling for the Elderly, Maine Equal Justice Partners, Pine Tree Legal Low Income Tax Clinic, and Maine Revenue Services, the following barriers have been identified, and recommendations are made:

1. **Lack of Awareness – eligible individuals may not be aware of the existence of state tax credits and tax relief programs**

   In order to increase awareness of state tax credits and relief programs, it is recommended that these credits be promoted through various outlets such as the media, social media, the Governor's office, and local town offices. Media can include local newspapers and news stations. Social media should include the most commonly used platforms, such as Facebook and Instagram. The Taxpayer Advocate and Experience Officer will create Facebook and Instagram pages to promote tax credits and post updates on these programs, as well as other information to be promoted on social media.

   The Taxpayer Advocate and Experience Officer will create a webpage that will include information on the state tax credits and tax relief programs and will include links to these state tax credits and relief programs, as well as tutorials and instructional videos on how to complete the necessary forms for the credits and programs, and tutorials on how to complete them on the Maine Tax Portal.

   The Taxpayer Advocate and Experience Officer will create a "tool kit" for these credits – essentially a pamphlet that legislators and municipalities can provide to constituents with information on state tax credits and relief programs, including links/QR codes to each of them, as well as a link to the Taxpayer Advocate and Experience Officer website.

   The Taxpayer Advocate and Experience Officer will reach out to town offices and senior centers in rural areas of Maine to schedule training sessions for individuals to attend, where they can learn about state tax credits and tax relief programs and how to access them. The attached spreadsheet contains tax return information from 2024 and 2025, indicating the number of returns that claimed the PTFC filed by county. Information from the US Census Bureau shows, by county, the 2025 estimated population, the percentage of that population over the age of 65, the number of housing units, housing unit median values, median mortgage and rent payments, median household income, and percentage of households that have internet subscriptions. Although this information does not provide definitive statistics in determining the number of eligible individuals that are not claiming the PTFC, it will assist in prioritizing the areas in need of outreach and the level of outreach needed.

2. **Lack of Resources – no access to internet or tax forms, no access to transportation to tax preparation sites, not enough free tax preparation sites or volunteers**

   To increase paper-based filing resources, forms could be mailed to taxpayers who have filed paper returns within the past three years as well as town offices, post offices, and local libraries, particularly in rural areas, as used to be the case. This will help to increase filing resources for the individuals who do not have access to the internet. MRS has not mailed forms to local libraries and post offices since 2009. After 2009, MRS began mailing informational sheets rather than forms, and this was discontinued in 2024.

Reinstating the mailing of forms as recommended would require additional financial resources.

Based on information from CA$H Maine, AARP Tax Aide, and Tax Counseling for the Elderly, the largest barrier for them is lack of volunteer preparers. To increase access to free tax preparation for the elderly and low income, the Taxpayer Advocate and Experience Officer can work with CA$H Maine, AARP Tax Aide, and Tax Counseling for the Elderly to help train additional volunteers and work the with Maine Senior College and the local Maine Area Agencies on Aging to educate retirees on these credits and the need for volunteer preparers. Retirees represent both a large segment of eligible individuals who are non-filers and a pool of volunteer prospects.

The Taxpayer Advocate and Experience Officer has partnered with the Maine Senior College Association to offer a 2-day workshop on tax credits and benefit programs to all 17 Senior Colleges throughout Maine.

AARP Tax Aide offers individuals eligible for free tax preparation services the following options to access this service:

1. **In-Person Service:** Tax return prepared and filed by a certified volunteer in one visit.
2. **Drop-Off Service:** Leave documents at the site; return is prepared remotely. Pick up and filed during a second visit.
3. **No Site Visit Required (Internet Access Required):** Upload documents online; volunteers work with the taxpayer remotely to prepare and file return electronically.
4. **Online Coaching:** Prepare own return with remote support from a volunteer.
5. **Facilitated Self-Assistance:** Schedule a site appointment to complete and file own return with volunteer coaching help.
6. **Self-Preparation:** Use Tax-Aide's software to prepare own return independently.

It is recommended that the tax preparation sites increase the number of drop-off service locations, which may help to mitigate some transportation issues. However, additional volunteers are needed to increase such sites.

The Taxpayer Advocate and Experience Officer has reached out to the Office of Aging and Disability Services to discuss the promotion of state tax credits and relief programs.

The Taxpayer Advocate and Experience Officer attended the annual Fall meeting of the CA$H Coalition of Maine on November 2, 2026, and discussed state tax credits and relief programs.

3. **Tax Forms and Technology – individuals that may be eligible to claim state tax credits but do not have a requirement to file a tax return may feel that the tax forms and filing electronically are too complicated**

   Based on feedback from CA$H Maine, AARP Tax Aide, Tax Counseling for the Elderly, Maine Equal Justice Partners, Pine Tree Legal Low Income Tax Clinic, and Maine Revenue Services, some individuals that may qualify for these credits but do not have a requirement to file a tax return may not do so because they find the forms too complicated, do not understand that they need to file a Maine return in order to claim the state tax credits even though they do not have a requirement to file a tax return, or find it difficult to use the technology to file, such as filing electronically or using the Maine Tax Portal. It is recommended that reintroduction of a simplified or short form be further explored for use by individuals who are only filing to claim state tax credits and relief programs. This would help to reduce the confusion around filing a tax return to claim the credits and will clarify that these credits can be claimed even if an individual does not have a filing requirement. This could be a "refundable credits only" return, or a "PTFC/STFC" return. Maine's Earned Income and Dependent Exemption Tax Credits are both based on the federal credits; therefore, a federal return would need to be filed to claim these credits, and they could continue to be claimed on the current return forms.

   Currently, for individuals, the Maine Tax Portal has the following filing options: File an Individual Income Tax Return for 2025, File an Individual Income Tax Return for 2024, File an Individual Income Tax Return for 2023, File a Cigarette Tax Declaration, File a Tobacco Products Tax Declaration. It is recommended that a link be added to the Maine Tax Portal that states "File an Individual Income Tax Return for the PTFC/STFC Only". Clicking on this link will take the individual to the online format used to file a return just for the PTFC/STFC. This may help to clarify some of the confusion around the filing requirement issue. This could be done in the short term and without creating a new form; however, it would involve programming to the Maine Tax Portal that would have a cost and require additional funding.

   It is also recommended that the Administration learn more and explore the possibility of partnering with Code for America regarding their SimpleFile program. Launched in July 2026, SimpleFile, was built in partnership with the Colorado Department of Revenue and the New Jersey Innovation Authority and New Jersey Department of the Treasury's Division of Taxation. SimpleFile was designed for low-income households with no tax obligation and allows users to complete a simplified state-only tax return to claim thousands of dollars in refundable state tax credits in 15 minutes or less. The free, mobile-friendly tool, which is available in both English and Spanish, just requires users to fill out a few simple questions to verify their eligibility and submit basic information about themselves and their dependents. Eligible users can choose to receive their refund electronically or via a check in the mail.

Study Current Practices of Large Preparation Firms with Respect to State Tax Credits and Relief Programs

As part of P.L. 2025, c. 486, the Taxpayer Advocate and Experience Officer was directed to study the current practices of large preparation firms with respect to offering state tax credits to individuals by examining the current practices of large preparation firms that offer services to individuals in this state with respect to providing information to individuals about state tax credits and assisting them with accessing those credits; examine the efficacy of the software used by large preparation firms with respect to assisting individuals with using state tax credits; and develop recommendations for potential public policy or consumer protection measures that ensure that individuals in this state are both informed of and have access to state tax credits, regardless of which tax preparer the individual uses. For purposes of this study, "large tax preparation firm" means a business that offers tax return preparation services to individuals and families in this State; offers tax return preparation at multiple franchise locations, or remotely, to customers nationwide or in multiple other states; and has at least 50 employees.

To garner accurate results, a study of this nature will require time and resources. The Taxpayer Advocate and Experience Officer has been on the job for approximately two months, with insufficient time and tax preparation season overlap to complete such a study. It is recommended that this charge be extended for report back in the January 15, 2028 annual report.

Address the Role of State Government in Promoting Public Awareness of Individual State Tax Credits

The Taxpayer Advocate and Experience Officer was directed to: identify existing interactions of State Government with individuals that include providing information about state tax credits; identify the interactions between State Government and individuals that do not currently but reasonably could include providing information about state tax credits; identify and evaluate any potential barriers to incorporating this information; recommend strategies to expand the practice of promoting awareness of state tax credits throughout appropriate state departments and agencies, including interdepartmental data sharing; and recommend improvements to the State's free electronic filing system known as the Maine Tax Portal, to improve public education efforts to promote the existence and availability of this system, as well as ease of use and accessibility features, including mobile access, use of plain language, and accessibility to non-English speaking people.

Based on information provided by Maine Revenue Services, the current interactions between State Government and individuals with respect to promoting awareness and providing information about state tax credits and relief programs are limited due to lack of resources. Currently, Maine Revenue Services makes information about tax credits and relief programs available on their website and staff will provide information and resources to individuals who reach out to the Bureau via phone or email.

The Taxpayer Advocate and Experience Officer will increase interaction with individuals by creating a website that includes information and education on state tax credits and relief programs, as well as social media outreach through platforms such as Facebook and Instagram. It is important to note that the Taxpayer Advocate and Experience Officer is just one position.

It is recommended that Maine Revenue Services mail a letter to all taxpayers that have received the PTFC/STFC within the past three years. This can be done by adding a form letter to their tax system and having letters sent automatically to the taxpayers that received the credits. The letter could include the type of credit received, the amount of each credit, and a description of each credit. The PTFC can be tied directly to property tax relief in the letter and can be sent in the late summer when property tax bills are being mailed. This may help raise awareness in more rural communities.

It is recommended that the Taxpayer Advocate and Experience Officer collaborate with Maine Revenue Services to develop inserts and work with municipalities to include them in tax bills to all homeowners receiving a Homestead Exemption, to ensure their awareness of the PTFC and its direct relation to property tax relief.

It is recommended that the Maine Revenue Services work with the Department of Health and Human Services Office of Family Independence to reach out to low-income Mainers to ensure they have information on state tax credits and relief programs. Currently, there is a link on the Office of Family Independence's website to the IRS website for the Child Tax Credit. The Office of Family Independence could add a link to their website that will take individuals to the Maine Revenue Services website for the PTFC/STFC, the Dependent Exemption Tax Credit, the Earned Income Tax Credit, and other tax credits and relief programs. It is also recommended that the Maine Housing Authority also provide a link to the Maine Revenue Services on their website. The largest barrier to these recommendations is the lack of resources. These resources include funding and personnel.

It is recommended that a link be added to the Maine Tax Portal that states "File an Individual Income Tax Return for the PTFC/STFC Only". Clicking on this link will take the individual to the online format used to file a return just for the PTFC/STFC. This could be done in the short term and without creating a new form; however, it would involve programming to the Maine Tax Portal that would have a cost and require additional funding. This recommendation was also included in the recommendations to increase the use of state tax credits. Recommendations to improve the Maine Tax Portal are ongoing; therefore, it is recommended that this item be moved to the annual report.

Study and Address Current Practices of Municipalities Related to Promoting Awareness of Individual State Tax Credits and State Relief Programs

The Taxpayer Advocate and Experience Officer 's scope is also to study and address the current practices of municipalities throughout the state related to promoting state tax credits and relief programs with respect to the earned income tax credit; the property tax fairness credit; the sales tax fairness credit; the dependent exemption tax credit; and the deferred collection of homestead property taxes, and evaluate and address any barriers preventing a municipality from expanding their efforts to promote awareness of these credits.

Based on information provided by the Maine Municipal Association, some, but not all, municipalities provide information on state tax credits and relief programs to their residents. These municipalities offer a variety of flyers and pamphlets that describe these credits and programs, along with information on their websites. Assessors from various municipalities have said that they educate their residents whenever they come into the town office for information.

Barriers to promoting these state tax credits and relief programs include funding, staff, and materials.

It is recommended that municipalities include inserts with property tax bills that include the state tax credits and relief programs available.

It is recommended that information about the PTFC be printed on the tax bill along with a link/QR code to the Maine Tax Portal for individuals to file their return to claim the credit.

It is recommended that all residents in a municipality that receive the Homestead Exemption receive an annual postcard with quick links to the above referenced state tax credits and relief programs.

Based on information from the Maine Municipal Association, multiple local assessors, and findings of the Property Tax Task Force, uptake of the State Property Tax Deferral Program is quite low, and the major barrier to this program appears to be the lien placed by Maine Revenue Services. It is recommended that messaging be changed around this program to highlight the benefits, and to include some figures that reflect an example of the value of the home versus the amount of tax that will need to be repaid when the home is no longer in the deferral program. The larger group of individuals that will take part in this program own their home without a mortgage; therefore, when the property sells, it is likely they will still have proceeds left after repayment of the lien. The Property Tax Task Force has also discussed lowering the interest rate used in the deferral program to incentivize more participation.

In conclusion, it is important to reiterate that the Taxpayer Advocate and Experience Officer is just one position currently. To maximize effectiveness, this program will need additional staff and funding to expand upon outreach services and educational opportunities.

PTFC By County of MAILING Address																
	Tax Year					2025 US Census Data										
	2024		2025		Average 2025 credit	Population (est.) 2025	% filed PTFC returns in 2025	% population over 65	# of Veterans 2020-2024	# housing units as of 7-1-2025	% owner occupied 2020-2024	median value owner occupied housing 2020-2024	median mortgage 2020-2024	median rent 2020-2024	median household income 2020-2024	% household w/ internet 2020-2024
	#	$	#	$												
ANDROSCOGGIN COUNTY	11,996	$9,677,611	12,649	$10,531,662	$833	116,487	10.85%	20%	7,472	51,610	67.90%	$252,800	$1,615	$1,010	$67,873	89.80%
AROOSTOOK COUNTY	4,864	$3,325,632	5,206	$3,707,335	$712	66,609	7.80%	27.50%	5,478	38,851	74.50%	$149,700	$1,196	$784	$56,700	84.30%
CUMBERLAND COUNTY	31,148	$28,153,589	31,771	$29,066,935	$915	317,222	10.01%	22.50%	15,984	158,044	69.80%	$451,200	$2,186	$1,589	$95,677	92.70%
FRANKLIN COUNTY	2,629	$1,950,620	2,848	$2,206,465	$775	30,824	9.20%	26.30%	2,053	21,812	76.30%	$194,700	$1,327	$802	$58,675	85.10%
HANCOCK COUNTY	5,139	$4,307,562	5,199	$4,539,846	$873	57,171	9.10%	29.70%	3,763	41,787	78.50%	$310,400	$1,673	$1,061	$72,744	91.20%
KENNEBEC COUNTY	13,140	$10,357,643	13,317	$10,819,613	$812	129,067	10.32%	23.30%	9,769	64,991	73.70%	$238,200	$1,499	$992	$69,077	91.10%
KNOX COUNTY	5,206	$5,125,773	5,342	$5,420,063	$1,015	41,117	12.99%	30.50%	2,953	25,078	78.70%	$324,900	$1,691	$1,165	$74,096	90.30%
LINCOLN COUNTY	3,855	$3,431,814	3,858	$3,636,907	$943	36,595	10.54%	32.70%	3,241	24,462	82.50%	$332,700	$1,605	$1,055	$76,875	89.10%
OXFORD COUNTY	5,890	$4,684,755	6,491	$5,525,363	$851	60,346	10.76%	25.90%	4,583	37,961	80.60%	$217,300	$1,442	$836	$60,173	87.50%
PENOBSCOT COUNTY	13,950	$10,390,484	14,911	$11,664,632	$782	157,967	9.40%	22%	9,808	77,101	70.50%	$214,100	$1,562	$1,041	$66,356	88.80%
PISCATAQUIS COUNTY	1,493	$1,054,887	1,625	$1,265,418	$779	17,409	9.30%	29.90%	1,321	15,083	78.80%	$170,200	$1,223	$837	$61,345	88.30%
SAGADAHOC COUNTY	3,902	$3,469,574	4,055	$3,772,393	$930	37,979	10.68%	27.50%	3,287	19,777	77.80%	$333,300	$1,817	$1,098	$87,806	93.90%
SOMERSET COUNTY	4,547	$3,287,794	5,007	$3,774,755	$754	51,620	9.70%	24.70%	4,429	30,704	77.40%	$166,900	$1,299	$910	$58,179	86.30%
WALDO COUNTY	4,701	$4,190,878	4,741	$4,420,494	$932	40,693	11.65%	27.90%	2,507	22,829	81.90%	$257,700	$1,542	$1,021	$72,782	89.50%
WASHINGTON COUNTY	2,392	$1,841,916	2,674	$2,180,750	$816	31,334	8.50%	28.50%	2,983	22,031	79.70%	$161,800	$1,275	$783	$56,024	84.30%
YORK COUNTY	22,874	$21,078,843	23,449	$21,866,562	$933	222,434	10.54%	25.10%	15,382	119,371	77.30%	$395,700	$1,988	$1,339	$88,333	92.70%
Z Out of State	1,650	$1,233,480	1,696	$1,296,397	$764											
ZZ Address Issue	77	$76,979	250	$207,730	$831											
10/15/2026																