

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Provide Property Tax Relief

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5219-BB is enacted to read:

§ 5219-BB. Credit for property taxes paid on homestead

Beginning with tax years beginning on or after January 1, 2008, a taxpayer is allowed a refundable credit against the taxes imposed by this Part in an amount equal to 25% of the property taxes paid for that tax year on that taxpayer's homestead in this State, up to a maximum credit of \$500 each year. For purposes of this section, "homestead" has the same meaning as in section 6201, subsection 5.

Sec. 2. 36 MRSA §6201, sub-§10, as amended by PL 2007, c. 325, §1, is further amended to read:

10. Property taxes accrued. "Property taxes accrued" means property taxes exclusive of special assessment, delinquent interest and charges for service levied on a claimant's homestead in this State as of April 1, 1972, or any tax year thereafter. If a homestead is owned by 2 or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not members of the claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead that reflects the ownership percentage of the claimant and the claimant's household. If a claimant and spouse own their homestead for part of the year for which relief is requested and rent it or a different homestead for part of the same tax year, "property taxes accrued" means taxes levied on the homestead on April 1st, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead during the year for which relief is requested. When a household owns and occupies 2 or more different homesteads in this State in the same calendar year, property taxes accrued relate only to the total of the property taxes owed for the time that each property was occupied by the household as a homestead. To calculate the amount attributable to each property, the April 1st assessment on each homestead is multiplied by the percentage of 12 months that each property was owned and occupied by the claimant as the claimant's homestead during the year for which relief is requested. If a homestead is an integral part of a larger unit such as a farm, or a multipurpose or multidwelling building, property taxes accrued are that percentage of the total property taxes accrued that the value of the homestead is of the total value, except that property taxes accrued do not include any portion of taxes claimed as a business expense for federal income tax purposes. For purposes of this chapter, "unit" refers to the parcel of property separately assessed of which the homestead is a part. "Property taxes accrued" does not include any amount claimed as a credit pursuant to section 5219-BB.

SUMMARY

This bill provides a refundable tax credit for 25% of the property tax paid on a person's primary residence, up to a maximum credit of \$500 per year. If a person also applies for benefits under the

Circuitbreaker Program, the amount of property taxes claimed under the Circuitbreaker Program must be reduced by the amount of the credit.