



129th MAINE LEGISLATURE

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Legislative Document

No. 1172

S.P. 358

In Senate, March 12, 2019

**An Act To Provide Direct Property Tax Relief to Homeowners by
Increasing the Homestead Exemption**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.
Cosponsored by Speaker GIDEON of Freeport and
Senators: CHIPMAN of Cumberland, DOW of Lincoln, President JACKSON of Aroostook,
POULIOT of Kennebec, Representative: DILLINGHAM of Oxford.

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

2 **Sec. 1. 36 MRSA §683, sub-§1-B**, as enacted by PL 2015, c. 267, Pt. J, §1, is
3 repealed and the following enacted in its place:

4 **1-B. Additional exemption.** A homestead eligible for an exemption under
5 subsection 1 is eligible for an additional exemption of the just value of the homestead in
6 the following amounts:

7 A. For the property tax year beginning on April 1, 2016, \$5,000;

8 B. For property tax years beginning on April 1, 2017, April 1, 2018 and April 1,
9 2019, \$10,000;

10 C. For the property tax year beginning on April 1, 2020, \$20,000; and

11 D. For property tax years beginning on or after April 1, 2021, \$30,000.

12 **Sec. 2. 36 MRSA §683, sub-§§3 and 4**, as amended by PL 2017, c. 284, Pt. G,
13 §1, are further amended to read:

14 **3. Effect on state valuation.** For property tax years beginning before April 1, 2018,
15 50% of the just value of all the homestead exemptions under this subchapter must be
16 included in the annual determination of state valuation under sections 208 and 305. For
17 property tax years beginning on ~~or after~~ April 1, 2018 and April 1, 2019, 62.5% of the
18 just value of all the homestead exemptions under this subchapter must be included in the
19 annual determination of state valuation under sections 208 and 305. For property tax
20 years beginning on or after April 1, 2020, 75% of the just value of all the homestead
21 exemptions under this subchapter must be included in the annual determination of state
22 valuation under sections 208 and 305.

23 **4. Property tax rate.** For property tax years beginning before April 1, 2018, 50% of
24 the just value of all the homestead exemptions under this subchapter must be included in
25 the total municipal valuation used to determine the municipal tax rate. For property tax
26 years beginning on ~~or after~~ April 1, 2018 and April 1, 2019, 62.5% of the just value of all
27 the homestead exemptions under this subchapter must be included in the total municipal
28 valuation used to determine the municipal tax rate. For property tax years beginning on
29 or after April 1, 2020, 75% of the just value of all the homestead exemptions under this
30 subchapter must be included in the total municipal valuation used to determine the
31 municipal tax rate. The municipal tax rate as finally determined may be applied to only
32 the taxable portion of each homestead qualified for that tax year.

33 SUMMARY

34 This bill increases the total exemption amount under the Maine resident homestead
35 property tax exemption program from the current \$20,000 to \$30,000 for the property tax
36 year beginning April 1, 2020 and to \$40,000 for property tax years beginning on or after
37 April 1, 2021. This bill also increases the reimbursement rate by the State for the revenue
38 lost by a municipality due to the exemption from 62.5% to 75%, beginning with the
39 2020-2021 property tax year.