

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 12, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 1226, An Act To Improve Maine Veterans' Property Tax Exemptions

Summary: Current law provides a property tax exemption to a veteran of the Armed Forces of the United States but only if the veteran served during a federally recognized war period or was disabled during active military service. The amount of the exemption varies depending on when the veteran served and whether the veteran is a paraplegic. This bill removes the requirement that the veteran must have served during a federally recognized war period, making the exemption available to all veterans of the Armed Forces of the United States. This bill does not change the amounts of the exemption or the other qualifying conditions.

Public Hearing:

Proponents

- The sponsor presented the bill and suggested that the number of bills on this matter indicates a high level of need for changes to the property tax exemptions for veterans.
- Those testifying in support of the bill included: 2 co-sponsors and many veterans.
- *Major points:* individuals who served in the Armed Forces deserve the same exemption as other veterans.

Opposed - Maine Municipal Association testified in opposition to the bill; expansion of property tax exemptions narrows tax base; comprehensive property tax reform is needed; should not enact/expand property tax exemptions in piecemeal manner.

NFNA- none

Additional information: There was a question about whether “Armed Forces of the United States” includes National Guard and Reserve. See excerpt from Congressional Research Service document which can be found at: <http://www.fas.org/sgp/crs/misc/R42324.pdf>.

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was finalized. The most current fiscal information on bills can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.