

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 8, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

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

Summary: This bill 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 \$20,000 limitation on the exemption for parsonages and the \$6,000 limitation on the exemption for personal property.

Public Hearing:

Proponents

- The sponsor presented the bill.
- Testimony in support of the bill was provided by representatives of Aldersgate Methodist Church in Rockland, the Roman Catholic Diocese of Portland, Concerned Women for America of Maine, the Christian Civic League, and Maine Jeremiah Project.
- *Major points:* church concerned about taxes on parking lot and land purchased to build a parsonage; issue of fairness, different treatment for other nonprofits; Maine only one of two states that taxes this way; may be constitutional issues with current law.

Opposed

- Testimony in opposition to the bill was provided by Maine Municipal Association and a municipal official from Bangor.
- *Major points:* current exemption applies to church building and first \$20,000 of parsonage; bill could expand to all land/buildings of church regardless of use; contributes to a property tax burden that is already excessively high.

NFNA - None

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