

**§5219-II. Property tax fairness credit**

For tax years beginning on or after January 1, 2013 and before January 1, 2014, a Maine resident individual is allowed a property tax fairness credit as computed under this section against the taxes imposed under this Part. [PL 2013, c. 551, §2 (AMD).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Benefit base" means property taxes paid by the resident individual during the tax year on the individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State. [PL 2013, c. 368, Pt. L, §1 (NEW).]

B. "Dwelling" means an individual house or apartment, duplex unit, cooperative unit, condominium unit, mobile home or mobile home pad. [PL 2013, c. 368, Pt. L, §1 (NEW).]

C. "Homestead" means the dwelling owned or rented by the taxpayer or held in a revocable living trust for the benefit of the taxpayer and occupied by the taxpayer and the taxpayer's dependents as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. "Owned" includes a vendee in possession under a land contract, one or more joint tenants or tenants in common and possession under a legally binding agreement that allows the owner of the dwelling to transfer the property but continue to occupy the dwelling as a home until some future event stated in the agreement. [PL 2013, c. 368, Pt. L, §1 (NEW).]

D. "Rent constituting property taxes" means 25% of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead in the State. "Rent constituting property taxes" does not include rent subsidized by government programs that limit housing costs to a percentage of household income except that this exclusion does not apply to persons receiving social security disability or supplemental security income disability benefits. For the purposes of this paragraph, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement. If the landlord and tenant have not dealt with each other at arm's length, and the assessor is satisfied that the gross rent charged was excessive, the assessor may adjust the gross rent to a reasonable amount for purposes of this section. [PL 2013, c. 368, Pt. L, §1 (NEW).]

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**2. Credit.** A resident individual filing a single or married separate return or resident spouses filing joint returns with Maine adjusted gross income up to \$40,000 are allowed a credit against the taxes imposed under this Part in an amount equal to 40% of the amount by which the benefit base exceeds 10% of the resident individual's or the resident spouses' total Maine adjusted gross income as defined under section 5102, subsection 1-C, paragraph A that is greater than zero. The credit may not exceed \$300 for resident individuals under 70 years of age as of the last day of the taxable year and \$400 for resident individuals 70 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 70 years of age and older to qualify for the \$400 credit limitation. In the case of resident married individuals filing separate returns, each of whom claim the credit on the same homestead, the credit for each spouse may not exceed \$150 if, for the taxable year, neither spouse was a resident individual 70 years of age or older or \$200 if, for the taxable year, at least one spouse was 70 years of age or older. [PL 2013, c. 368, Pt. L, §1 (NEW).]

**3. Refundability of credit.** The tax credit is refundable after the application of nonrefundable credits.

[PL 2013, c. 368, Pt. L, §1 (NEW).]

**REVISOR'S NOTE:** §5219-II. Maine capital investment credit for 2013 (As enacted by PL 2013, c. 368, Pt. TT, §18 is REALLOCATED TO TITLE 36, SECTION 5219-JJ)

**SECTION HISTORY**

RR 2013, c. 1, §54 (RAL). PL 2013, c. 368, Pt. L, §1 (NEW). PL 2013, c. 368, Pt. TT, §18 (NEW). PL 2013, c. 551, §2 (AMD).

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