

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 Make Circuitbreaker Program Benefits Proportional If a Resident Moves

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

Sec. 1. 36 MRSA §6201, sub-§2, as amended by PL 2001, c. 396, §40, is repealed and the following enacted in its place:

2. Claimant. “Claimant” means an individual who:

A. Has filed a claim under this chapter;

B. Was domiciled in this State during the entire calendar year preceding the year in which a claim for relief under this chapter is filed; and

C. Occupied a homestead in this State for at least 6 months during that calendar year.

Regardless of how many names of individuals appear on the property deed, the person who meets the qualifications described in paragraphs A to C and proves sole responsibility for the payment of the property taxes on the subject property is the claimant with respect to that property. If 2 or more individuals meet the qualifications in paragraphs A to C and share the payment of the rent or the responsibility for the payment of the property taxes, each individual may apply on the basis of the rent paid or the property taxes levied on the homestead that reflect the ownership percentage of the claimant and the claimant's household.

If 2 or more individuals claim the same property, the matter must be referred to the State Tax Assessor, whose decision is final. Ownership of a homestead under this chapter may be by fee, by life tenancy, by bond for deed, as mortgagee or any other possessory interest in which the owner is personally responsible for the tax for which a refund is claimed.

Sec. 2. 36 MRSA §6201, sub-§10, as amended by PL 1997, c. 504, §20, 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. If a claimant owns a homestead for at least 6 months but less than 12 months of the year for which relief is requested, "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 claimant as the claimant's 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 tax year, property taxes accrued relate only to the property taxes owed for the time that property was occupied by the household as a homestead on April 1st, 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.

Sec. 3. Application. This Act applies to claims for benefits under the Maine Residents Property Tax Program filed on or after August 1, 2007.

SUMMARY

Under the Maine Residents Property Tax Program, also referred to as the Circuitbreaker Program, in order to qualify for a rent or property tax refund, the person must own or rent a homestead for the entire calendar year prior to the year for which the claim is made and be a Maine resident for that entire year. A person who owns or rents a homestead for less than a year is ineligible for benefits. If a person owns more than one homestead during the calendar year, only taxes paid on the homestead occupied as of April 1st of that year are eligible for reimbursement.

This bill allows a person who owns or rents a homestead for at least 6 months of the prior calendar year to obtain a portion of benefits under the Circuitbreaker Program based on the number of months the person occupied the homestead. This bill maintains the current requirement that the person be a resident of Maine for the entire prior year.

This bill also allows a person who owns and occupies more than one homestead during the year to be reimbursed for taxes owed for the time during which the person occupied each homestead. This reimbursement is determined by dividing by 12 months the property tax owed on each homestead during the year for which the claim is filed and multiplying that number by the number of months the property was occupied by the person as a homestead during that year.