

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 Provide Property and Excise Tax Relief to Disabled Maine Veterans**

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

**Sec. 1. 36 MRSA §653, sub-§1, ¶C**, as amended by PL 2007, c. 240, Pt. PPPP, §1, is further amended to read:

C. The estates up to the just value of \$6,000, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States:

(1) During any federally recognized war period, including the Korean Campaign, the Vietnam War, the Persian Gulf War and the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, or who were awarded the Armed Forces Expeditionary Medal, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total non-service-connected disability; ~~service-connected or non-service-connected~~; as a veteran. A veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975 unless the veteran died in service or was discharged for a ~~service-connected~~ total non-service-connected disability after that date. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period; ~~or~~.

~~(2) Who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability.~~

The exemptions provided in this paragraph apply to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

**Sec. 2. 36 MRSA §653, sub-§1, ¶C-2** is enacted to read:

C-2. The estates, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States who are permanently and totally disabled by injury or disease incurred or aggravated during active military service in the line of duty or who are receiving any form of pension or compensation from the United States Government for total and permanent service-connected disability.

The exemption provided in this paragraph is in lieu of any exemption under paragraph C, C-1 or D for which the veteran may be eligible and applies to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

**Sec. 3. 36 MRSA §653, sub-§1, ¶D-1**, as amended by PL 2007, c. 437, §7 and affected by §22, is further amended to read:

D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of residence, for specially adapted housing units, of the unremarried widows or widowers of veterans who served in the Armed Forces of the United States during any federally recognized war period, including the Korean Campaign, the Vietnam War, the Persian Gulf War and the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, or who were awarded the Armed Forces Expeditionary Medal, and who ~~are~~ paraplegic veterans within the meaning of 38 United States Code, Chapter 21, Section 2101, and who received a grant from the United States Government for any such housing, ~~or of the unremarried widows or widowers of those veterans.~~ A veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975, unless the veteran died in service or was discharged for a service-connected disability after that date. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period. The exemption provided in this paragraph applies to the property of the veteran including property held in joint tenancy with a spouse or held in a revocable living trust for the benefit of that veteran.

**Sec. 4. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2001, c. 671, §32, is further amended to read:

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3): a sum equal to 24 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

(1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.

(2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, paragraph C, the excise tax must be prorated for the number of months in the registration.

Beginning January 1, 2009, veterans who served in the Armed Forces of the United States who are permanently and totally disabled by injury or disease incurred or aggravated during active military service in the line of duty or who are receiving any form of pension or compensation from the United States Government for total and permanent service-connected disability are exempt from the provisions of this paragraph.

**Sec. 5. Application.** Those sections of this Act that amend the Maine Revised Statutes, Title 36, section 653, subsection 1, paragraphs C and D and enact Title 36, section 653, subsection 1, paragraph C-2 apply to property tax years beginning on or after April 1, 2009.

## SUMMARY

Current law provides an exemption from property tax for the first \$6,000 of value of property owned by a veteran who served in the Armed Forces of the United States during a federally recognized war period and is either 62 years of age or receiving compensation from the United States for total disability, either service- or nonservice-connected, as a veteran. A veteran who received a grant from the United States for specially adapted housing units is eligible for an exemption from property tax for the first \$50,000 of value of the specially adapted housing unit. The exemption also applies to the unmarried widow or widower of the veteran.

This bill distinguishes between nonservice-connected disability and service-connected disability for purposes of the amount of the property tax exemption, providing a full property tax exemption for those veterans who served during a federally recognized war period and are permanently and totally disabled as a result of that service; the \$6,000 exemption for veterans 62 years of age or older is continued. Since the \$50,000 exemption for specially adapted housing would be included in the new exemption, the \$50,000 exemption is continued only for the unmarried widow or widower of a qualified veteran.

This bill also provides, beginning January 1, 2009, a full exemption from the motor vehicle excise tax for veterans who served in the Armed Forces of the United States and are permanently and totally disabled as a result of that service.