



131st MAINE LEGISLATURE

LD 130

LR 29(02)

An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	(\$837,500)	(\$17,022,500)	(\$31,200,000)
Appropriations/Allocations				
General Fund	\$0	(\$30,050,000)	(\$46,805,000)	(\$62,550,000)
Revenue				
General Fund	\$0	(\$29,212,500)	(\$29,782,500)	(\$31,350,000)
Other Special Revenue Funds	\$0	(\$1,537,500)	(\$1,567,500)	(\$1,650,000)

Fiscal Detail and Notes

Increasing the maximum property tax fairness credit for individuals 65 years or older and indexing the credit for inflation for income tax years beginning on or after January 1, 2024 will reduce General Fund revenue by \$29,212,500 and reduce Local Government Fund revenue by \$1,537,500 in fiscal year 2024-25. Expanding the elderly property tax deferral program will increase state reimbursements to municipalities for deferred taxes. The bill includes a General Fund appropriation of \$1,500,000 in fiscal year 2024-25 for this purpose.

Terminating the property tax stabilization program on homesteads of individuals 65 years of age or older for property tax years beginning on or after April 1, 2024, will eliminate state reimbursements to municipalities under the program. The bill includes General Fund deappropriations in fiscal year 2024-25 of \$31,000,000 for the reduction in reimbursement for property tax revenue lost and \$550,000 for the reduction in mandated cost reimbursement.

The combined impact of the reduced revenue associated with increasing the property tax fairness credit, the increased reimbursement to municipalities required by expanding the elderly property tax deferral and decreased state reimbursement to municipalities associated with eliminating the property tax stabilization program is General Fund savings of \$837,500 in fiscal year 2024-25.