



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 163

S.P. 50

In Senate, January 17, 2019

An Act Regarding Property Tax Relief for Veterans

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator FARRIN of Somerset.
Cosponsored by Representative HANINGTON of Lincoln and
Senators: CARSON of Cumberland, CYRWAY of Kennebec, POULIOT of Kennebec,
Representatives: MAREAN of Hollis, SHEATS of Auburn, STETKIS of Canaan.

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

2 **Sec. 1. 36 MRSA §653, sub-§3** is enacted to read:

3 **3. No duplication of exemptions.** A person who receives an exemption under this
4 section may not also receive an exemption under section 653-A.

5 **Sec. 2. 36 MRSA §653-A** is enacted to read:

6 **§653-A. Estates of veterans; enhanced exemptions**

7 This section provides enhanced tax exemptions for the estates of certain veterans. A
8 veteran or a veteran's surviving spouse, minor child or parent who is eligible for an
9 exemption under this section receives the exemption under this section as a substitute for
10 an exemption under section 653.

11 **1. Veterans who served in combat zone.** For a veteran who served for 90 or more
12 days in active service and who served in a combat zone as defined in Section 112(c)(2) of
13 the Code, the exemption under this section is equal to the just value, up to \$25,000, of
14 property occupied as the veteran's homestead as defined in section 681, subsection 2.

15 **2. Disabled veterans; 50% to 90% disabled.** For veterans with a service-
16 connected disability rated by the United States Department of Defense as 50% to 90%,
17 the exemption under this section is equal to the just value, up to \$50,000, of property
18 occupied as the veteran's homestead as defined in section 681, subsection 2.

19 **3. Disabled veterans; 100% disabled.** For veterans with a service-connected
20 disability rated by the United States Department of Defense as 100%, the exemption
21 under this section is equal to the just value, up to \$100,000, of property occupied as the
22 veteran's homestead as defined in section 681, subsection 2.

23 **4. Spouses, minor children and parents.** An unremarried surviving spouse, minor
24 child or parent of a deceased veteran who receives a pension or compensation from the
25 Federal Government as the spouse, minor child or parent of the veteran is eligible for an
26 exemption under this section in the same amount as that for which the deceased veteran
27 was eligible for property occupied as the spouse's, minor child's or parent's homestead as
28 defined in section 681, subsection 2.

29 **5. Veteran; definition.** The word "veteran" as used in this section has the same
30 meaning as under section 653, subsection 1, paragraph E.

31 **6. Residency required.** An exemption may not be granted under this section to a
32 person who is not a resident of this State.

33 **7. Application.** Any person eligible for an exemption under this section shall apply
34 in the same manner and subject to the same administrative requirements as under section
35 653.

36 **8. Reimbursement to municipalities.** A municipality granting an exemption under
37 this section is entitled to reimbursement from the State as provided under section 661 for

1 the portion of the exemption under this section that exceeds the exemption applicable
2 under section 653.

3 **9. Fraudulent conveyance.** Property conveyed to a person for the purpose of
4 obtaining an exemption from taxation under this section may not be exempt, except
5 property conveyed between spouses. The obtaining of an exemption by means of
6 fraudulent conveyance must be punished by a fine not less than \$100 and not more than 2
7 times the amount of the taxes evaded by the fraudulent conveyance, whichever amount is
8 greater.

9 **10. No duplication of exemptions.** A person is not eligible for a property tax
10 exemption under more than one subsection of this section. A person who receives an
11 exemption under this section may not also receive an exemption under section 653.

12 **11. Calculation of exemption.** In determining the local assessed value of an
13 exemption under this section, the assessor shall multiply the amount of the exemption by
14 the ratio of current just value upon which the assessment is based as furnished in the
15 assessor's most recent annual return to the State Tax Assessor under section 383.

16 **12. Cooperative housing corporations.** A cooperative housing corporation may
17 receive an exemption under this section to be applied against the valuation of property of
18 the corporation that is occupied by a qualifying shareholder entitled to an exemption
19 under this section calculated in the same manner and subject to the same conditions as
20 under section 653, subsection 2.

21 **13. Effect of joint tenancy or revocable living trust.** The exemption provided in
22 this section applies to the property of a veteran, including property held in joint tenancy
23 with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

24 SUMMARY

25 This bill provides enhanced property tax exemptions for certain veterans. A veteran
26 regardless of age becomes eligible for a \$25,000 exemption if the veteran has served at
27 least 90 days of active service and has served in a combat zone. A veteran with a service-
28 connected disability becomes eligible for a \$50,000 exemption if the disability is rated
29 50% to 90% and a \$100,000 exemption if the disability is rated 100%. A surviving
30 unremarried spouse, minor child or parent who is receiving a pension based on the
31 service of a deceased veteran qualifies for the same exemption the veteran would have
32 been eligible for. A municipality is reimbursed for the constitutionally mandated 50% of
33 the property tax revenue loss as a result of the enhanced exemption.