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An Act To Exempt Persons 65 Years of Age or Older with Income below the Poverty Line from Property Taxes on Their Homes

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

Sec. 1. 36 MRSA §654, sub-§1, ¶E, as amended by PL 2003, c. 686, §1, is further amended to read:

E. The residential real estate up to the just value of \$4,000 of inhabitants of Maine who are legally blind as determined by a properly licensed Doctor of Medicine, Doctor of Osteopathy or Doctor of Optometry. The exemption provided by this paragraph also applies to residential real estate held in a revocable living trust for the benefit of and occupied as a permanent residence by such a person; and

Sec. 2. 36 MRSA §654, sub-§1, ¶F, as amended by PL 1975, c. 770, §202, is further amended to read:

F. ~~No property~~Property conveyed to any person for the purpose of obtaining exemption from taxation under paragraph E ~~shall be sois not~~ exempt, and the obtaining of such an exemption by means of fraudulent conveyance ~~shall~~must be punished by a fine of not less than \$100 and not more than 2 times the amount of the taxes evaded by ~~suehthe~~ fraudulent conveyance, whichever amount is greater. In case any person entitled to such an exemption has property taxable in more than one place in the State, ~~suehthe~~ proportion of ~~suehthe~~ total exemption ~~shall~~must be made in each place as the value of the property taxable in ~~sueheach~~ place bears to the value of the whole of the property of ~~suehthe~~ person taxable in the State.; and

Sec. 3. 36 MRSA §654, sub-§1, ¶G is enacted to read:

G. The homestead, as defined in section 681, subsection 2, of a person who is 65 years of age or older who occupies that homestead for at least 8 months each year and whose annual income is below the poverty thresholds for persons 65 years of age or older most recently established by the United States Department of Commerce, Bureau of the Census.

Sec. 4. Rulemaking. The Department of Administrative and Financial Services, Bureau of Revenue Services shall adopt major substantive rules pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A to implement the provisions of this Act. In developing rules, the bureau must use the provisions of the homestead property tax exemption, as set out in Title 36, chapter 105, subchapter 4-B, for guidance regarding the application, reimbursement and reporting process.

SUMMARY

This bill provides an exemption from residential property taxes for the home and accompanying residential real property of a person who is 65 years of age or older and whose annual income is below poverty thresholds as long as the person occupies that home at least 8 months each year. This bill

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requires the Department of Administrative and Financial Services, Bureau of Revenue Services to adopt major substantive rules to administer the program based on the Maine resident homestead property tax exemption program.