TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

131ST LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 69, L.D. 130, “An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption”

Amend the bill by striking out the title and substituting the following:

'An Act to Eliminate the Property Tax Stabilization Program and Enhance Benefits Under the Senior Property Tax Deferral Program and the Property Tax Fairness Credit'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by amending subparagraph (2) to read:

(2) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or for persons filing joint returns, $2,650; and

Sec. 2. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by amending subparagraph (3) to read:

(3) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for more than one qualifying child or dependent or for persons filing joint returns that can claim the federal child tax credit pursuant to the Code, Section 24 for at least one qualifying child or dependent, $3,250; and

Sec. 3. 36 MRSA §5219-KK, sub-§1, ¶A-1, as amended by PL 2021, c. 483, Pt. AA, §1, is further amended by enacting a new subparagraph (4) to read:

(4) For tax years beginning on or after January 1, 2024, notwithstanding subparagraphs (1) and (2), for individuals 65 years of age or older, $4,000.
Sec. 4. 36 MRSA §5219-KK, sub-§2-D, as amended by PL 2021, c. 635, Pt. F, §1, is further amended to read:

2-D. Credit in 2022 and after. For tax years beginning on or after January 1, 2022, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 4% of the resident individual's income. The credit may not exceed $1,000 for resident individuals under 65 years of age as of the last day of the taxable year or, for tax years beginning before January 1, 2024, $1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. For tax years beginning on or after January 1, 2024, for resident individuals 65 years of age and older, the credit may not exceed $2,000. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the $1,500 or $2,000 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

Sec. 5. 36 MRSA §5403, sub-§6, as amended by PL 2019, c. 379, Pt. C, §5, is repealed and the following enacted in its place:

6. Property tax fairness credit. For the property tax fairness credit:

A. Beginning in 2018 and each year thereafter, by the benefit base amounts in section 5219-KK, subsection 1, paragraph A-1, subparagraphs (1) to (3), except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2017; and

B. Beginning in 2024 and each year thereafter, by the benefit base amount in section 5219-KK, subsection 1, paragraph A-1, subparagraphs (4), except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2023;

Sec. 6. 36 MRSA §6251, sub-§1, ¶B, as amended by PL 2021, c. 483, Pt. AA, §6, is further amended to read:

B. The taxpayer has income, as defined in section 5219-KK, subsection 1, paragraph D, of less than $40,000 for the calendar year immediately preceding the calendar year in which the claim is filed and for applications filed after January 1, 2024, income of less than $80,000 for the calendar year immediately preceding the calendar year in which the claim is filed;

Sec. 7. 36 MRSA §6251, sub-§1, ¶C, as enacted by PL 2021, c. 483, Pt. AA, §6, is amended to read:

C. The taxpayer, if an individual, has liquid assets of less than $50,000 or, for applications filed after January 1, 2024, less than $100,000 or, in the case of 2 or more individuals filing a claim jointly, all the individuals together have liquid assets of less than $75,000 or, for applications filed after January 1, 2024, less than $150,000; and

Sec. 8. 36 MRSA §6252, sub-§5, as enacted by PL 2021, c. 483, Pt. AA, §9, is amended to read:
5. No municipal lien. The property does not have an existing municipal lien against it other than a lien released pursuant to section 6252-A, subsection 5.

Sec. 9. 36 MRSA §6252-A is enacted to read:

§6252-A. Deferral of delinquent taxes

Notwithstanding section 6252, subsection 5, a taxpayer who owes delinquent property taxes and whose property is subject to a municipal lien may qualify for tax deferral of a homestead under this chapter subject to the following conditions.

1. Limit 2 years. The taxpayer owes no more than 2 years of delinquent property taxes at the time of application for deferral.

2. Added to deferred taxes. The amount of delinquent property taxes, plus interest and costs, must be determined as of a predetermined payoff date. This amount must be added to the amount of tax deferred for the first fiscal year pursuant to section 6251, subsection 2, paragraph A.

3. State lien. The amount of the State lien under section 6254 must be increased by the amount of delinquent property taxes deferred under this section.

4. Reimbursed to municipality or unorganized territory. An amount equal to the delinquent property taxes, interest and costs must be included in the certification provided by the State Tax Assessor to the Treasurer of State and reimbursed to the municipality or to the Unorganized Territory Education and Services Fund by the Treasurer of State pursuant to section 6257, subsection 1.

5. Release of lien. Upon receipt of full reimbursement for delinquent property taxes, interest and costs, the municipality, or the State Tax Assessor for the unorganized territory, shall release the lien attached to the homestead for those delinquent property taxes, interest and costs.

6. Restriction. A taxpayer who owes delinquent taxes for more than one residential property within the State is not eligible to claim a deferral.

Sec. 10. 36 MRSA §6281, as enacted by PL 2021, c. 751, §1, is amended by enacting at the end a new paragraph to read:

This chapter applies only to the property tax year beginning April 1, 2023.

Sec. 11. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Elderly Tax Deferral Program 0650

Initiative: Provides funding to reimburse municipalities for the expansion of the elderly tax deferral program.

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<tr>
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Property Tax Stabilization Z368
Initiative: Removes funding for reimbursement to municipalities due to elimination of the property tax stabilization program.

**GENERAL FUND**

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**GENERAL FUND TOTAL**

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**Property Tax Stabilization Mandate Z369**

Initiative: Removes funding for mandate cost reimbursement to municipalities due to elimination of the property tax stabilization program.

**GENERAL FUND**

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**GENERAL FUND TOTAL**

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**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**DEPARTMENT TOTALS**

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<tr>
<td>$0</td>
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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment removes from the bill the provisions providing an increased homestead property tax exemption for permanent residents 65 years of age or older. The amendment increases the maximum benefit for persons who are 65 years of age or older under the property tax fairness credit and the benefit allowed under the senior property tax deferral program and permits otherwise eligible persons with no more than 2 years of delinquent property taxes to receive a deferral of taxes if the amount of delinquent taxes is added to the amount of taxes deferred and subject to certain conditions.

**FISCAL NOTE REQUIRED**

(See attached)