

TAXATION COMMITTEE

jsj 5-3-21

130th LEGISLATURE

1st REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY22	FY23
708	221			Faulkingham	An Act To Increase the Homestead Exemption to \$50,000	This bill <u>increases the Homestead property tax exemption from \$25,000 to \$50,000</u> for property tax years beginning on or after April 1, 2021. Under current law the <u>State reimburses municipalities for 70% of the revenue loss</u> due to the exemption.			
1071	332			Pouliot	An Act To Reduce Property Taxes for Maine Residents	This bill <u>increases homestead property tax exemption program to \$50,000</u> for property tax years beginning on or after April 1, 2021. This bill also <u>increases state reimbursement to municipalities</u> for homestead property tax exemptions <u>from 70% to 100%</u> for property tax years beginning on or after April 1, 2021.			
1355	1998			Pouliot	An Act To Amend the Motor Vehicle Excise Tax Exemption for Veterans Who Are Disabled	This bill provides a <u>MVET exemption for veterans who are receiving benefits based on 100% permanent service-connected disability</u> . This bill is the same as LD 1193 which has been voted OTPA by the committee on 4/27. The amendment substitutes language suggested by MRS to avoid confusion.			

¹ . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
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1413	1471			Rafferty	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	<p>This bill establishes an <u>income tax exemption for civil service retirement plan benefits</u> for recipients who do not participate in the federal social security program in recognition of the fact that the current law provides an income exemption for all social security benefits in addition to a \$10,000 pension exemption for retirement plan benefits.</p> <p>The bill <u>phases in greater parity</u> in treatment of the 2 types of pension systems by <u>increasing the civil service pension deduction amount by \$5,000 per year until 2025 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act.</u></p> <p>CURRENT LAW: SSA 100% exempt form IT Pension Exemption of \$10,000 minus SSA benefits (whether public or private pension)</p>			
1448	1597			Talbot Ross	An Act To Increase State Reimbursement to Municipalities for Revenue Lost Due to the Homestead Property Tax Exemption	<p>This bill <u>increases the state reimbursement for the homestead property tax exemption from 70% to 100%</u> beginning with property tax years beginning on or after April 1, 2022.</p> <p>This bill also <u>specifies that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100.</u></p>			
1482	1310			Grohoski	An Act To Improve Access to Property Tax Exemptions for New Homeowners	<p>This bill <u>removes the requirement that a person own a homestead in this State for 12 months before being eligible for the homestead property tax exemption.</u></p> <p>This bill also <u>requires State reimbursement of 100% of the revenue lost by a municipality due to removing that 12-month requirement, but only for the first year of eligibility.</u> If a resident is eligible for the homestead exemption but does not take it until after the first year of eligibility, that exemption is eligible only for 70% reimbursement by the State. <u>After the first year of eligibility, the state reimbursement rate drops to the current rate of 70%.</u></p>			

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1516	1982			Pouliot	An Act To Amend the Property Tax Exemption for Persons Who Are Legally Blind	This bill <u>amends the PT exemption</u> available to a resident of the State who is <u>legally blind to exempt 10% of the just value of residential real estate</u> owned by the resident from the property tax. CURRENT LAW: flat exemption of \$4,000.			
1525	2004			Tuttle	An Act To Exempt from Sales Tax Plastic Bags Required by a Municipal Solid Waste Management Program	Provides <u>ST exemption for plastic bags</u> that a <u>municipality or other political subdivision of the State requires for the storage or disposal of solid waste</u> in accordance with a solid waste management program adopted by the municipality or other political subdivision of the State.			

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