

## LD 290 “Property Tax Stabilization for Senior Citizens” Repealed by State Legislature; Two Tax Relief Programs Being Expanded

The LD 290 “Property Tax Stabilization for Senior Citizens” program, enacted in August 2022 was repealed by the Maine Legislature on July 6, 2023, with an effective date of October 11, 2023. The popularly regarded program had allowed Maine seniors 65 and older who owned a permanent residence for at least 10 years and were receiving (or eligible for) a homestead exemption, to freeze taxes at the previous year’s level regardless of income.

The repeal of this program means there will be no reapplication process and no need to follow-up with the Assessing Department in late August/early September, as previously thought. Although the program has been repealed, your initial application will still be administered this year for the upcoming Tax Commitment in August 2023. As a result, approximately 330 eligible South Berwick applicants will only be responsible for the "frozen" property tax bill amount for the 2023-2024 billing cycle—this amount will be equal to the tax amount the owner was billed in 2022-2023, unless their new billed amount would be lower, in which case they'd owe the lower of the two amounts. Per the law, the State will reimburse the Town for 100% of the difference between actual and frozen taxes.

It is important to note that these are State programs and while the Town plays a role in the administration of them, the Town is not responsible for the policy objectives of these initiatives. Any questions or concerns owners have regarding the repeal of this program should be directed to your legislative representative.

*Senator Mark Lawrence (D-York) 207-475-4975*

*Rep. Tiffany Roberts (D) 207-210-3287*

*Rep. Michele Meyer (D) 207-438-9197*

### Two existing State programs benefiting low-income seniors to be expanded

1. **The Property Tax Fairness Credit**, which currently allows eligible Mainers to take a \$1,500 credit, has increased to \$2,000; it also loosens limits on the program in a way that allows the benefits to remain constant for a Mainer whose spouse passes away. **Note:** This program is not administered by the Town of So. Berwick; to claim the credit, you must file Form 1040ME and Schedule PTFC/STFC for the tax year during which the property tax or rent was paid. For help, call 207-624-9784. For more info, visit: <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/property-tax-fairness-credit>
2. **The State Property Tax Deferral Program**, a lifeline loan program that covers the annual property tax bills of Maine seniors age 65 and older who cannot afford to pay them on their own, has been expanded. It doubles the income limit on that program to \$80,000 and also raises asset limits. Taxes must be paid back when the home is sold or becomes part of an estate. **Note:** This program is administered by the State; however, applications must be filed with the Assessor's Office between January 1 and April 1 each year. Applications are forwarded to Maine Revenue Services who review and make the determination for acceptance and approval. Questions can be referred to Maine Revenue Services, Property Tax Division, at 207-624-5600 or [prop.tax@maine.gov](mailto:prop.tax@maine.gov). For more info, visit: <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program>

## **PROPERTY TAX RELIEF PROGRAMS**

### **Administered by the South Berwick Assessing Office**

**Homestead Exemption:** The Homestead exemption reduces the property tax bill of all South Berwick resident homeowners who apply for the exemption by April 1st and who have owned and lived in their house for the prior 12 months. The exempt amount of \$25,000 is deducted from the property's total taxable value.

**Veteran Exemption:** Any South Berwick resident homeowner who was in active service in the armed forces of the U.S during a federally recognized war campaign period and, if discharged or retired under honorable conditions, may be eligible for a \$6,000 reduction in valuation. The veteran must have reached age 62 or be receiving a pension or compensation from the U.S Military for total disability.

**Widow/Widower of Veteran Exemption:** Any South Berwick resident homeowner who is a non-remarried widow or widower of a veteran who would have been entitled to the Veteran exemption, may be eligible for a \$6,000 reduction in valuation.

**Blind Exemption:** Any South Berwick resident homeowner who is certified to be legally blind by their eye care professional is eligible for a \$4,000 reduction in valuation.

**Renewable Energy Equipment Exemption** -This program exempts renewable energy equipment, such as solar panels, from property tax. Taxpayers must apply for the credit by April 1 of the first year the exemption is requested.

**Applications for the above programs can be picked up at the Assessor's Office or downloaded at:** <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/property-tax-exemptions>

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### **Two Programs Administered by the State Expanded**

**State Property Tax Deferral Program:** The State Property Tax Deferral Program is a loan program that covers the annual property tax bills of Maine residents who are ages 65 and older and meet income requirements or are permanently disabled. The loan program requires repayment of the loan once the property is sold or becomes part of an estate. **Applications must be submitted between January 1 and April 1 to the Assessor's Office.** More information about this program can be found at: <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program>

**Property Tax Fairness Credit:** Eligible Maine taxpayers may receive a portion of the property tax or rent paid during the tax year on the **Maine individual income tax return** whether they owe Maine income tax or not. If the credit exceeds the amount of your individual income tax due for the tax year, the excess amount of credit will be refunded to you. More information can be found at: <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/property-tax-fairness-credit>