

LD 290 “Property Tax Stabilization for Senior Citizens” Repealed by State Legislature; Two Tax Relief Programs Being Expanded

The LD 290 “Property Tax Stabilization for Senior Citizens” program, enacted in August 2022 was repealed by the Maine Legislature on July 6, 2023, with an effective date of October 11, 2023.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 Although the program has been repealed, your initial application will still be administered this year for the upcoming Tax Commitment in July 2023. As a result, those eligible North Haven applicants will only be responsible for the "frozen" property tax bill amount for the 2023 billing cycle—this amount will be equal to the tax amount the owner was billed in 2022, 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 this program should be directed to your legislative representative. To find your representative, please visit: <https://legislature.maine.gov/senate/>

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

To help lower-income seniors avoid higher property taxes and remain in their homes, two existing State programs are being 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 North Haven; 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, please visit: 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 not administered by the Town of North Haven; questions on this State managed program can be referred to Maine Revenue Services, Property Tax Division, at 207-624-5600 or prop.tax@maine.gov. For more info, please visit: www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program