

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 12, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 1207, An Act To Expand the Property Tax Exemption for Veterans Who Are 100% Disabled

Summary: Current law provides a tax exemption of up to \$6,000 of the value of property held by a veteran who is receiving any form of pension or compensation from the United States Government for total, service-connected disability. This bill provides a complete exemption from property taxes for the estate of a veteran who is receiving any form of pension or compensation from the United States Government for total, service-connected disability. The same provisions that apply to the current property tax exemptions for veterans apply to the exemption established in this bill, including requiring the veteran to be a resident of this State, allowing the exemption for property held in a revocable living trust or that is cooperative housing and requiring the State to reimburse a municipality for 90% of the portion of the lost property tax revenue that exceeds 3% of the total municipal property tax levy.

Public Hearing:

Proponents

- The sponsor presented the bill and suggested that a delayed effective date may be a option.
- Those testifying in support of the bill included: a cosponsor of the bill, the Vice Commander for the Disabled American Veterans of Maine and several veterans.
- *Major points:* many disabled veteran's in danger of becoming homeless; provided examples of financial hardship; provided statistics on disabled veterans.

Opposed - Maine Municipal Association testified in opposition to the bill; expansion of property tax exemptions narrows tax base; comprehensive property tax reform is needed; should not continue enacting in piecemeal manner.

NFNA- none

Additional information: In response, to a request by the Committee, the Director of the Maine Bureau of Veterans' Services indicated that the number of 100% disabled veterans is 3,127.

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was finalized. The most current fiscal information on bills can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.