

LD 290 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Repealed by State Legislature;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The LD 290 “Property Tax Stabilization for Senior Citizens” program, enacted in August, 2022 was repealed by the Maine Legislature on July 6, 2023, with an effective date of October 11, 2023.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 that there will be no reapplication process and no need to reapply for the 2023-2024 tax year. Although the program has been repealed, your initial application will still be administered for the upcoming Tax Commitment in August 2023. As a result, if you qualified for the program your property tax bill will be frozen at the 2022 -2023 tax amount, unless the new billed amount is lower, in which case you will owe the lower of the two amounts and that change will automatically be on your tax bill. Per the law, the State will reimburse the Town for 100% of the difference between the 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 question 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/>

LD 290 expands State programs benefiting low-income seniors

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 the Mainer whose spouse passes away. **Note:** this program is not administered by the Town of Orrington; 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 into, 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 the 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 . For more info, visit: www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program