An Act to Implement Certain Preliminary Recommendations of the Real Estate Property Tax Relief Task Force and to Make Other Changes to Tax Law

132LR3087(01)

Submitted by the Joint Standing Committee on Taxation pursuant to Joint Rule 353, Section 8.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5219-KK, sub-§2-D, as amended by PL 2023, c. 412, Pt. S, §4, is repealed and the following enacted in its place:

2-D. Credit in 2022 and after. For tax years beginning on or after January 1, 2022, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 4% of the resident individual's income. The amount of the credit may not exceed:

A. For tax years beginning on or after January 1, 2022 and before January 1, 2026, $1,000 for resident individuals under 65 years of age as of the last day of the taxable year;

B. For tax years beginning on or after January 1, 2026, $1,500 for resident individuals under 65 years of age as of the last day of the taxable year;

C. For tax years beginning on or after January 1, 2022 and before January 1, 2024, $1,500 for resident individuals 65 years of age and older as of the last day of the taxable year; and

D. For tax years beginning on or after January 1, 2024, $2,000 for resident individuals 65 years of age and older as of the last day of the taxable year.

In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the credit limitation specified in paragraphs C and D. Married individuals filing separate returns do not qualify for the credit under this section.

Sec. 2. Resolve 2025, c. 108, §5 is amended to read:

Sec. 5. Meetings; subcommittees. Resolved: That the task force shall meet at least 4 ~~times but no more than 8~~ times in 2025 and no more than 8 times in 2026, not including any subcommittee meetings.

1. The task force shall meet at least once jointly with the Joint Standing Committee on Taxation at a time to be determined by the chairs of the task force and the committee.

2. The chairs of the task force may appoint subcommittees as necessary for the efficient operation of the task force.

Sec. 3. Department of Administrative and Financial Services, Bureau of Revenue Services to administer survey to assessors on Maine Tree Growth Tax Law. The Department of Administrative and Financial Services, Bureau of Revenue Services shall administer a survey to assessors related to the Maine Tree Growth Tax Law. In the design of the survey, the bureau shall collaborate with the Department of Agriculture, Conservation and Forestry, Maine Forest Service, the University of Maine School of Forest Resources, landowners, foresters, municipal officials and assessors. The survey must, at a minimum, collect information from assessors regarding their experiences administering the Maine Tree Growth Tax Law.

The Bureau of Revenue Services shall submit its findings and recommendations based on the survey results, including suggested legislation, no later than January 15, 2027 to the joint standing committee of the Legislature having jurisdiction over taxation matters. The

joint standing committee may report out legislation based on the findings and recommendations to the 133rd Legislature in 2027.

SUMMARY

This bill amends Resolve 2025, chapter 108, which established the Real Estate Property Tax Relief Task Force, to allow the task force to meet 8 times in 2026. For tax years beginning on or after January 1, 2026, the bill increases from $1,000 to $1,500 the property tax fairness credit for individuals under 65 years of age. The bill also requires the Department of Administrative and Financial Services, Bureau of Revenue Services to administer a survey to assessors to gather data on the administration of the Maine Tree Growth Tax Law.

FISCAL NOTE REQUIRED

(See attached)

Approved: 04/01/26 LRL

132nd MAINE LEGISLATURE

LD **LR 3087(01)**

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Fiscal Impact for a Committee Bill

Committee: Taxation
Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Legislative Cost/Study

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	$0	$11,400,000	$11,628,000	$11,645,000
Revenue				
General Fund	$0	($11,400,000)	($11,628,000)	($11,645,000)
Other Special Revenue Funds	$0	($600,000)	($612,000)	($645,000)

Legislative Cost/Study

The additional general operating expenses of this study are projected to be $1,400 in fiscal year 2025-26 and $2,800 in fiscal year 2026-27. The Legislature's budget for the 2026-2027 biennium includes $7,253 in fiscal year 2025-26 and $17,696 in fiscal year 2026-27 for the costs of legislative studies, as well as $41,338 of balances carried over from prior fiscal years for this purpose. Whether these amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. The additional costs of providing staffing assistance to the study during the interim can be absorbed utilizing existing budgeted staff resources.

Fiscal Detail and Notes

The bill would result in a revenue decrease to the General Fund of $11,400,000 in fiscal year 2026-27, $11,628,000 in fiscal year 2027-28 and $11,645,000 in fiscal year 2028-29 from increasing the maximum property tax fairness credit to $1,500 for taxpayers under 65 for tax years beginning on or after 1/1/2026. The bill would also result in a revenue decrease to the Local Government Fund of $600,000 in fiscal year 2026-27, $612,000 in fiscal year 2027-28 and $645,000 in fiscal year 2028-29.

Any additional costs to the Department of Agriculture, Conservation and Forestry and the University of Maine from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.

No appropriations/allocations section required.

COMMITTEE VOTING TALLY SHEET

LB 3087

LD # Bill related to Real Estate Property Tax Relief Task Force

Committee: TAXATION

Date: 3/19/26

Motion: OTP

Motion by: Sen. Grohoski

Seconded by: Rep. Sayre

Those Voting in Favor of the Motion	Recommendation of those opposed to the Motion					Absent	Abstain

Members

	Those Voting in Favor of the Motion	Recommendation of those opposed to the Motion					Absent	Abstain
Rep. Greg Swallow	X							
Rep. Scott Harriman	X via							
Rep. Tracy Quint	X							
Rep. Shelley Rudnicki	X							
Rep. Ann Matlack	X							
Rep. Dan Sayre	X							
Sen. Nicole Grohoski	X							
Sen. Mike Tipping							X	
Sen. Bruce Bickford	X							
Rep. Thomas Lavigne	X							
Rep. Gary Friedmann	X							
Rep. Russell White							X	
Rep. Crockett	X via							