

## Property Tax Stabilization for Seniors

Recently enacted legislation adds a new property tax relief option for Maine residents 65 years or older.

[PL 2021, c. 751](#) (to be codified at 36 M.R.S. § 6281), requires municipalities to “stabilize” – meaning freeze – the property tax responsibility of eligible taxpayers at the amount billed the preceding tax year. If taxes assessed on eligible property exceed the “stabilized” amount, the state must reimburse municipalities 100% of the difference.

An eligible taxpayer must: (1) be 65 years or older, (2) be a permanent Maine resident as defined in the Maine Resident Homestead Property Tax program (“Homestead Program”), and (3) have owned a qualifying homestead in Maine for at least 10 years prior to application. “Stabilization” applies only to property occupied by an eligible taxpayer which is eligible for a Homestead Program exemption for the property tax year during which stabilization is requested. The law includes no limits on an applicant’s income or the market value of the homestead property.

Taxpayers must annually apply for the program by the December 1st preceding the property tax year (beginning on April 1<sup>st</sup>) for which stabilization is requested. Eligible taxpayers may also transfer stabilization benefits to new homesteads established within Maine.

Note that the law does *not* freeze an eligible homestead’s property tax valuation or the taxpayer’s tax assessment; municipal assessors must continue to record the property’s just value in each annual property tax commitment. The law merely freezes the amount an eligible taxpayer may be billed by the municipality.

Taxpayers may begin applying for the program upon the law’s effective date (August 8, 2022) until December 1, 2022. However, “stabilization” will first apply only to property taxes committed during calendar year 2023 (based on an assessment date of April 1, 2023). Tax bills issued based on property taxes committed during calendar 2022 will not be affected.

The Maine Revenue Services Property Tax Division plans to issue an application form and program guidance prior to the effective date of the law. Check the MRS website (<https://www.maine.gov/revenue/taxes/property-tax>) for updates. (S.F.P.)

Access the text of the law here: [PL 2021, c. 751](#)