

## MAINE REVENUE SERVICES

### TAX REFORM LD 1495 – PL 2009, c. 382

#### Provisions Relating to: Maine Residents Property Tax “Circuit Breaker” Program

Following is a brief summary of the recently enacted tax reform changes that relate to the Maine Residents Property Tax “Circuit Breaker” Program. **Unless otherwise indicated, the changes cited in this document generally apply to programs beginning on or after August 1, 2010.** Program changes will be developed in more detail as the 2010 application booklet is designed in the spring of 2010.

The enacted language of LD 1495 can be viewed at:

[http://www.mainelegislature.org/legis/bills/bills\\_124th/chapters/PUBLIC382.asp](http://www.mainelegislature.org/legis/bills/bills_124th/chapters/PUBLIC382.asp)

The application period will change beginning in 2010:

- The filing period beginning August 1, 2009 remains unchanged: August 1, 2009 through May 31, 2010.
- For the filing period beginning August 1, 2010, the filing period will end November 30, 2010.
- For filing periods beginning after 2010, the filing period will run annually January 1st through November 15th. **The refunds for applications filed January through June will be held until after June 30 and issued in July.** Refunds for applications filed after June 30 each year will be issued as soon as possible. **Refunds for application periods beginning after 2010 are limited to 88% of what would otherwise be allowable.**

Beginning with the 2010 booklets, the Circuit Breaker application form and instructions will be included with the individual income tax booklets mailed each year. However, except for individuals that file their application over the internet, Maine Revenue Services will continue to mail separate application booklets to those that do not file income tax returns.

Beginning in January, 2011, MRS will establish a system to accept E-filed Circuit Breaker applications, similar to the system for E-filed 1040 returns.

Starting with the filing period that begins August 1, 2010, the refund amount will be determined based on tables provided in the Circuit Breaker booklet, similar to the tax tables that are now contained in the individual income tax booklets.

Although eligible property taxes under the program continue to be limited to those assessed on the homestead and house lot in the prior year, the 10 acre limitation on the house lot is repealed.

Household income will no longer include cash inheritances or the income of dependents. Income will also not include the nontaxable portion of any of the following if the total of all the items does not exceed \$5,000: jury duty payments, awards (such as employee awards), lawsuit awards, strike benefits and life insurance proceeds.