

Tax Exemptions, Credits, and Deferrals

Baldwin residents may apply for several programs that either reduce their local property taxes or provide payments from the State of Maine. Mention these to you friends and neighbors who might not have internet access. Help them apply if needed.

Tax Stabilization Program for Senior Citizens, Title 36 MRSA Chapter 908-B (LD 290) 2023 Only.

Eligibility: For the August 2023 Tax Commitment only: The program was rescinded by the legislature in July 2023 and will not be in force for the 2024 tax year.

- Must have established a “Homestead” eligible residency in the State of Maine for at least the past 10 years.
- Must be at least 65 years of age or older as of December 1, 2022
- Must have applied to the town in which residency is established on or before December 1 of 2022.

2023 Benefit:

Applicants who applied for and qualified for the program on or before December 1, 2022 had their 2023 property tax obligation stabilized (frozen) at the amount billed the previous year. (billed in 2022; stabilized for 2023). There were about 136 Baldwin accounts that benefited in 2023 from the program.

2024 Benefit: None. If you qualified for the 2023 benefit you had your tax bill frozen at the 2022 rate. However, your 2024 tax bill will reflect the full tax assessed value of your property on 1 April 2024.

Anticipated Questions and Answers concerning LD209

Q: Will they honor approved applications submitted by 1 Dec 2022?

A: Yes. The amount on the tax bills for 2023 will be the same as what was paid for 2022.

Q: Will my taxes be going up as a result of the rescission of LD209?

A: Likely but we cannot answer that definitively for various reasons, mostly because we do not know what MIL rates will be prior to future commitments. We also cannot provide estimates.

Q: Why was LD290 repealed?

A: The legislature recognized it cost the state too much and administrative difficulties of the law as written and elected to expand other existing programs in response. In place of LD290, two existing programs administered through the State are being expanded. These are the Property Tax Fairness Credit and the Property Tax Deferral Program. See detail below for how they have changed.

Visit <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/stabilization-program>

State Property Tax Deferral Program

This is a recently enacted State program to help people who are 65 and older or permanently disabled to age in place by paying for their property taxes. Details of the program are at

<https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program>.

Applications must be filed with the Cumberland County Assessor's Office between January 1 and April 1. Cumberland County Assessing will forward the application to Maine Revenue Services after the vetting process and Maine Revenue will then review for qualification and approval. To be eligible for the program, you must be at least 65 years old or unable to work due to a disability. In addition, all owners must have combined liquid assets of less than \$75,000 (\$50,000 if a single owner) and combined income of less than \$40,000. For applications filed after January 1, 2024, all owners must have combined liquid assets of less than \$150,000 (\$100,000 if a single owner) and combined income of less than \$80,000. This program is similar to a reverse mortgage so make sure it is what meets your needs. The taxes must be paid back (with interest!) when:

- The home is sold
- The applicant is no longer eligible for the homestead exemption
- The home becomes part of an estate

There are some restrictions on which properties qualify.

The town must request reimbursement from the state for deferred taxes on the form specified by the state NLT 30 days after commitment of taxes.

Property Tax Fairness Credit returns a portion of property taxes paid to qualified individuals. To claim this credit, the applicant must file Form 1040ME and Schedule PTFC/STFC for the tax year during which the property tax or rent was paid. The credit has increased from \$1500 to \$2000 beginning with the 2023 income tax year as part of the rescission of LD209.

<https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/property-tax-fairness-credit>.

There is also a **Sales Tax Fairness Credit** available. These credits are applied for by submitting Maine Income Tax Forms 1040ME and PTFC/SFTC. These credits can be received even if you didn't owe any Maine Income taxes for the year. You may also be eligible for credits for years in which you were eligible but didn't apply for the credits by filing an amended return up to three years after the normal filing deadline. Info on these programs is available at

<https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/sales-tax-fairness-credit>.

For help, they can call the following numbers:

MRS - Taxpayer Contact Center, Phone: 207-624-9784

MRS - Income Tax Division, Phone: 207-626-8475

You may also be eligible for help from the **Home Energy Assistance Program**, zero-premium health insurance and other programs. Contact Baldwin's General Assistance coordinator for help with apply for these programs. <https://www.baldwinmaine.org/general-assistance.html>.

Additional Exemptions

The following are exemptions which reduce the calculated value of your property when determining your taxes. Applications are available on Cumberland County Assessing's website

at <https://www.cumberlandcounty.org/555/Property-Tax-Relief> You are encouraged to apply for any that are applicable to you.

- 1. Homestead Exemption**
- 2. Veteran Exemption** – for Veterans and Veteran’s Widows
- 3. Blind Exemption**
- 4. Solar and Wind Exemption**
- 5. Current Use Programs for Tree Growth, Farmland, and Open Space**