

The Property Tax Stabilization Program: A Guide for Applicants

What is it?

Property Tax Stabilization for Senior Citizens, also known as the Property Tax Stabilization Program (the “Program”), is a State program that allows certain senior-citizen residents to stabilize, or freeze, the property taxes on their homestead. As long as you qualify and file a timely application each year, the tax billed to you for your homestead will be frozen at the amount you were billed in the prior tax year. Eligible residents who move may transfer the fixed tax amount to a new homestead, even if that new homestead is in a different Maine municipality.

Who qualifies?

To be eligible for the Program, an individual must meet all of the following as of April 1 of the property tax year for which they are requesting stabilization (so for applications due December 1, 2022, qualifications must be met as of April 1, 2023):

- 1) at least 65 years old,
- 2) a permanent resident of Maine,
- 3) have owned a Maine homestead for at least ten years, and
- 4) be eligible for a homestead exemption on the property they are placing in the Program.

If your homestead is owned by more than one individual as joint tenants, only one owner needs to qualify for the Program to participate. There are no income or asset limitations to qualify.

Permanent resident. You must have established a permanent residence in Maine. "Permanent residence" means that place where an individual has a true, fixed, and permanent home and principal establishment to which the individual, whenever absent, has the intention of returning. An individual may have only one permanent residence at a time and, once a permanent residence is established, that residence is presumed to continue until circumstances indicate otherwise.

Ten-year homestead. You must have owned a homestead in Maine for at least ten years. The ten-year period does not have to be consecutive. A homestead means residential property that you occupy as your permanent residence. A homestead also includes property that is held in a revocable living trust for your benefit or property owned by a cooperative housing corporation if you occupy it as your permanent residence as a qualifying shareholder. It does not include real property used solely for commercial purposes.

Homestead exemption. You must be eligible to receive a homestead exemption on your home. The homestead exemption generally applies only to your permanent residence. Your property tax bill will usually show whether you are already receiving a homestead exemption. If you are unsure whether you qualify for a homestead exemption, contact your local assessor.

How do I apply to the Program?

Applications are available at the Maine Revenue Services ("MRS") website or from your local municipal office. You can also call the Property Tax Division of MRS at (207) 624-5600 to have an application mailed to you. Complete an application and submit it by December 1, with any required proof, to your local municipality. The municipality will review and approve or deny your application.

How does the Program work?

Once you have applied and are approved to participate in the Program, the property tax billed to you for the next tax year will be frozen at the amount you were billed in the previous tax year. You must file a new application each year by December 1 in order to maintain that stabilized tax amount.

For example, if you apply by December 1, 2022 and qualify for the Program, the amount of tax billed to you for the April 1, 2023 tax year will be the same as the amount billed to you for the April 1, 2022 tax year. As long as you continue to qualify and to file timely annual renewal applications, the amount you are billed each subsequent year will be frozen at the amount billed for the April 1, 2022 tax year.

The State will reimburse your municipality for the difference between the amount billed to you and the tax that would otherwise be due.

Frequently asked questions

1. Are there income or other limits on who can participate in the Program?

There are no income or asset limitations to participate. As long as you meet the age, residency, and ownership qualifications, and timely file your application, you are eligible.

2. What happens if I forget to file my renewal application?

Once you are in the Program, if you fail to timely file an application one year, the bill for the next tax year would revert to the “normal” amount of tax. You can apply again the following year, but your new stabilized amount would reset to the missing year’s normal tax amount.

3. What happens if I move or change my homestead?

If you move to a new homestead in a different municipality, you must request that your old municipality notify your new municipality that you are participating in the Program and your stabilized tax amount. In addition, you will need to file a new application with your new municipality.

4. What happens if the tax assessed on my homestead goes down?

If the tax assessed for a given year is less than your stabilized amount, you will be billed for the lower amount. If you continue to qualify and file timely applications in subsequent years, your tax will be stabilized at that new, lower amount.

5. What if I no longer wish to participate in the Program?

The Program requires annual applications in order to continue participating. If you no longer wish to participate, you can simply not file an application and your homestead will revert to being assessed as it would normally be for that (and subsequent) tax years.

**Maine Revenue Services
Property Tax Division
P.O. Box 9106
Augusta, ME 04332-9106
Tel: (207) 624-5600
Email: prop.tax@maine.gov
www.maine.gov/revenue/taxes/property-tax**



INITIAL APPLICATION FOR PROPERTY TAX STABILIZATION FOR SENIOR CITIZENS

36 M.R.S. § 6281

Completed forms must be filed by December 1 with the municipality in which your homestead is located.

SECTION 1: APPLICANT(S) INFORMATION

1a. Names of all property owners (names on your tax bill; for cooperative housing corporation shareholders, enter the name of the cooperative housing corporation and the shareholder's name): _____

1b. Physical location of your homestead (e.g. 14 Maple St.): _____

Municipality: _____ ZIP: _____

Email: _____ Telephone #: _____

1c. Mailing Address, if different from above: _____

Municipality: _____ State: _____ ZIP: _____

SECTION 2: ELIGIBILITY (Check all that apply):

- 2a. I am a permanent resident of Maine.
- 2b. I will be 65 or older as of April 1 of the upcoming year.
- 2c. I have owned a homestead in Maine for at least ten years as of April 1 of the upcoming year. If your homestead has changed during the ten-year period, enter the full address (street number, street name, municipality) of any prior homestead(s) and years it was your homestead. The ten-year period is not required to be consecutive. Attach additional pages, if necessary:

Complete Address	Years

- 2d. I declare the property listed in section 1 above is currently my permanent residence and that, if applicable, the property (or properties) listed in section 2c was my permanent residence during the years indicated.
- 2e. I am not currently claiming or receiving a homestead property tax exemption for any other property.

IF YOU ARE NOT ABLE TO CHECK ALL FIVE BOXES, STOP
You do not qualify for the Property Tax Stabilization program

SECTION 3: MAINE RESIDENCY

3a. I receive a homestead property tax exemption for the homestead listed on 1b above.
If you did not check box 3a, check all that apply below and include documentation (see instructions).

- 3b. I file a Maine resident income tax return (Form 1040ME).
- 3c. The address on my driver's license or Maine ID card is the homestead listed on 1b above.
- 3d. The legal address on my resident hunting/fishing license is the homestead listed on 1b above.
- 3e. I pay motor vehicle excise tax in this municipality.
- 3f. I am registered to vote in this municipality.
- 3g. I have other documents showing my residency status.

DECLARATION(S) UNDER THE PENALTIES OF PERJURY. I declare that I have examined this application and (if applicable) accompanying schedules and statements and to the best of my knowledge and belief they are true, correct, and complete.

Signature of Homestead Owner(s) _____ Date: _____

Print **Clear form**

_____ Date: _____

INSTRUCTIONS

If you are at least 65 years old and have owned a homestead in Maine for at least ten years, you may qualify to have your property tax stabilized at the amount of your bill in the year you applied for the program. If your application for stabilization is approved, this will first affect the property taxes you owe for the property tax year following the year of submitting this application. This stabilization will continue, even if you move to a new homestead, including in a different municipality in Maine, so long as you file a timely application with the municipality each year and you continue to meet the eligibility requirements. The municipality may request additional documentation to prove your eligibility for the stabilization program.

NOTE: If you have been previously approved to participate in the program and are looking to continue your stabilization, please complete the Renewal Application for Property Tax Stabilization. That application is available on the Maine Revenue Services website at www.maine.gov/revenue/tax-return-forms/property-tax.

SECTION 1. Enter your full name(s) as shown on your property tax bill, the physical location of your homestead, your telephone number, email address, and mailing address (if different than the physical location). If you are a cooperative housing corporation shareholder, please enter both the name of the cooperative housing corporation and your name as the shareholder.

SECTION 2. Check the appropriate box related to each question. You must check all boxes to qualify for the Property Tax Stabilization program. If your homestead has changed during the 10-year period, enter the full address (street number, street name, municipality) of any prior homestead(s) and the years in which it served as your homestead. The 10-year period does not have to be consecutive. You may be required to provide additional evidence to document your ownership. **If you did not check all boxes in this section, you do not qualify for the Property Tax Stabilization program.**

SECTION 3. You must verify that you are a permanent resident of Maine. Evidence that you currently receive a homestead exemption for the property listed on section 1b is sufficient proof of permanent residency. If you do not currently receive a homestead exemption for this property, you must attach proof of your Maine residency. Proof of Maine residency includes, but is not limited to, Maine resident income tax return (Form 1040ME), your Maine driver's license/state ID, your Maine resident hunting/fishing license, your motor vehicle registration, or your voter registration.

The application must be signed. Completed applications must be filed by December 1 with the municipality in which your homestead is located. If your property is located in the Unorganized Territory, the form should instead be filed with Maine Revenue Services.

DEFINITIONS

Homestead. "Homestead" means residential real property owned by an individual or individuals and occupied by those individuals as their permanent residence. Residential real property held in a revocable living trust for a beneficiary who occupies the property as his or her permanent residence also qualifies as a homestead. A resident homeowner who is subject to foreclosure and subsequently purchases the home back from the municipality is considered to have no interruption in homeownership for purposes of this exemption.

Permanent residence. "Permanent residence" means that place where an individual has a true, fixed, and permanent home and principal establishment to which the individual, whenever absent, has the intention of returning. An individual may have only one permanent residence at a time and, once a permanent residence is established, that residence is presumed to continue until circumstances indicate otherwise.

Permanent resident. "Permanent resident" means an individual who has established a permanent residence.