

MAINE REVENUE SERVICES

TAX REFORM

LD 1495 – PL 2009, c. 382

Read the law at:

www.mainelegislature.org/legis/bills/bills_124th/chapters/PUBLIC382.asp

Maine Residents Property Tax and Rent Refund “Circuitbreaker” Program

The following is a brief summary of the recently enacted tax reform changes that relate to the Maine Residents Property Tax and Rent Refund “Circuitbreaker” Program. **Unless otherwise indicated, the changes cited in this document apply to programs beginning on or after August 1, 2010.**

The application period will change beginning in 2010

- For the application 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 from January 1st through November 15th. **Refunds for applications filed from 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 under current law.**

Note that the filing period beginning August 1, 2009 and ending May 31, 2010 remains unchanged.

Circuitbreaker application forms

Beginning with the 2010 booklets, the Circuitbreaker 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.

Refund Calculation/Tables

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

Eligibility Changes

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to those assessed on the homestead and house lot in the prior year, the 10 acre limitation on the house lot has been repealed.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

E-File

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