

Oppose the Repeal of Homestead Exemption for Non-elderly Families

Part G of Governor's Biennial Budget

Hearing Date

10:00 a.m., Monday, February 6, 2017

State House Room 228, State Capitol Building

Appropriations Committee

Talking Points for Testimony

The governor's proposed budget would eliminate the Homestead Exemption property tax relief program for resident homeowners under 65 years of age.

This is a bad idea. Here's why:

- **Elimination of Homestead Exemption and other tax changes in the governor's budget don't pay for better communities or schools, they just pay for costly tax breaks for the rich.** The full impact of the governor's tax changes is a \$22,650 tax break for the top one percent and a tax increase for the 80 percent of Maine households earning less than \$92,000 a year.
- **Property tax rates are on the rise in communities across the state.** Cuts to state revenue due to income tax breaks that disproportionately advantage wealthy households have led to less state resources for schools and communities and triggered higher property tax rates.
- **More than 210,000 homeowners will lose out if the governor succeeds in excluding non-elderly Mainers from the Homestead Exemption program.** That's more than half of all homeowners in Maine.
- **Homestead Exemption helps lower property tax bills for Mainers across the state.** The Homestead Exemption will deliver an average property tax reduction of \$300 to resident property tax payers around the state in 2017.

The Homestead Exemption makes Maine's taxes fairer and helps low- and moderate-income families around the state. To calculate the value of the Homestead Exemption for homeowners in your town, multiply \$20,000 by your town's property tax rate (also know as the 'mil rate') divided by 1,000. For example, if your town's property tax rate is 20.02 then the value of the Homestead Exemption is \$400 for families whose primary residence is valued in excess of \$20,000 ($\$20,000 \times 20.02 / 1,000 = \400).

We urge you to show up to testify on the importance of the Homestead Exemption to you and your family. You can also contact your legislator and tell them to oppose repeal of the Homestead Exemption.