



Having trouble paying your property taxes?

Maine's Property Tax Deferral loan program may help

April 1 is the deadline for applying to Maine's State Property Tax

Deferral Program! Those age 65 and older and/or permanently disabled with income less than \$80,000 may qualify. Must have liquid assets below \$100,000 (\$150,000 if applying jointly).

Maine's Property Tax Deferral Program

- Allows individuals to defer (postpone) payment of the property taxes on their homesteads until they pass away, move, or sell their property.
- During the period when the taxes are being deferred, the State reimburses Bath for the deferred taxes.
- The deferred taxes, plus interest, are required to be repaid to the State by the individual or their estate when they pass away, move, sell the property, or move the property (if mobile or floating home) out of Maine. A surviving spouse may continue to defer past taxes, even if they are not yet eligible for the Property Tax Deferral program.
- The program is run by Maine Revenue Services (MRS) on behalf of the State of Maine.



Applications must be sent **by April 1** to the City Assessor (address below), where information regarding your residence is verified. Applications are forwarded to Maine Revenue Services. Maine Revenue Services determines eligibility for the Property Tax Deferral Program.

ASSESSOR'S OFFICE
55 FRONT STREET
BATH, ME 04530

Phone: (207) 443-8336
Email: bcummings@cityofbath.com

**See reverse for answers to more
frequently asked questions about
the Property Tax Deferral program.**

Maine Property Tax Deferral Loan Program

Who qualifies for the program?

To be eligible for the program, you must be at **least 65 years old OR unable to work due to a disability**. In addition, the property owners must have **income of less than \$80,000 and liquid assets of less than \$100,000 (or \$150,000 if more than one person owns the home)**.

What are liquid assets?

Liquid assets are anything of value that can be converted to cash in three months or less, including:

- Bank accounts and CDs;
- Money market and mutual funds;
- Life insurance policies with cash value;
- Stocks and bonds; and
- Lump-sum payments and inheritances.

Liquid assets do not include your home, a vehicle or qualified retirement accounts such as an IRA or 401(k).

Does my property qualify for the program?

In addition to the requirements above, to be eligible for the program you must **own and occupy** the property as your principal residence, and you must be receiving a **homestead exemption** on the property. Most property with a mortgage will qualify; some types of reverse mortgages are not eligible.

How do I apply for the program?

You must file an application with the Bath Assessor between **January 1 and April 1**. The application is available on the MRS website and at Bath's City Hall. The Assessor will verify certain information, then forward the application to MRS for review. MRS will review your application and may request additional information from you to confirm your eligibility for the program.

Do I have to reapply each year?

No. *You only need to apply once, unless you have moved to a new homestead in the State of Maine.* Once your application is approved, you may continue to defer the property taxes on your

homestead in future years as long as there is no change in circumstances that would lead to disqualification or removal.

What does deferral mean?

Once you are accepted into the program, the **State of Maine will pay the property taxes on your homestead directly to the City of Bath**. The **State will also place a lien on your homestead** as security for the taxes paid on your behalf, plus interest. MRS will send you a notice each year with your current balance. You can continue to defer payment on the taxes and interest until certain repayment events occur. You can also make payments at any time to reduce the future liability to your estate.

When do I have to repay the deferred taxes?

You can request that your property be removed from the program at any time. You will be responsible for paying all of the deferred taxes plus interest when the property is removed. In addition, any of the following repayment events will also require removal of the property from the program and you or your estate will be required to repay the tax and interest on all deferred years within 12 months:

- You pass away;
- You sell the homestead;
- You no longer use the property as your homestead, **unless you are absent for health reasons.**

Will the State of Maine take my home when I die?

The State of Maine does place a lien on your property to ensure repayment. However, **your spouse can continue to defer the tax payments for past years** even if they are not yet eligible for the Property Tax Deferral program themselves.

Other heirs to your estate have up to 12 months to pay back the property tax loan or request an extension before the State of Maine can foreclose on the property.

For more information, contact Maine Revenue Services:

www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program.

Email: prop.tax@maine.gov ♦ Telephone: (207) 624-5600