Having trouble paying your property taxes?

Maine's Property Tax Deferral 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, earning less than $40k/year, may qualify. Must have liquid assets below $50k ($75k if applying jointly).

This is part of Governor Mills' Maine Jobs & Recovery Plan, helping Mainers age safely and securely in their own homes. Full details and applications can be found at the Maine Revenue Services website, *https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program*. Applications are also available at Bath's City Hall in the auditorium and the Assessor's office.

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@citofbath.com

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

Maine State Property Tax Deferral Program

What is the State Property Tax Deferral Program?

The State Property Tax Deferral Program is a program that allows certain 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 the municipality for the deferred taxes. The deferred tax, plus interest, is then 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. The program is run by Maine Revenue Services (MRS) on behalf of the State of Maine.

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, you must have ***income of less than $40,000*** and ***liquid assets of less than $50,000*** (or $75,000 if filing a joint application).

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;
- Stocks and bonds; and
- Lump-sum payments and inheritances.

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. You must own your property in fee simple (in other words, there can't be any limitations on your ability to sell or encumber the property), and there must be ***no municipal liens*** on your property.

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.

You only need to apply once, unless your circumstances change. 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 might 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.

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:

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

  OR
- You remove the property from the State.