



MAINE REVENUE SERVICES PROPERTY TAX DIVISION BULLETIN NO. 7

TAX EXEMPTIONS FOR VETERANS

REFERENCE: 36 M.R.S. § 653

October 6, 2022; replaces September 12, 2022 revision

1. Definitions

- A. Assessor. “Assessor” means a sworn municipal assessing authority, whether an individual assessor, a board of assessors, or a chief assessor of a primary assessing area. With respect to the unorganized territory, “assessor” means the State Tax Assessor.
- B. Certified ratio. “Certified ratio” means the level of municipal assessed value, expressed as a percentage of just value, as certified by the assessor pursuant to 36 M.R.S. § 383.
- C. Cooperative housing corporation. “Cooperative housing corporation,” as defined in 36 M.R.S. § 653(2)(A), means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle them to inhabit a designated space within a residential dwelling.
- D. Federally recognized war period. “Federally recognized war period” means:
 - (1) World War I – April 6, 1917, through November 11, 1918;
 - (2) World War I (service in Russia) – April 6, 1917, through March 31, 1920;
 - (3) World War II – December 7, 1941, through December 31, 1946;
 - (4) Korean Conflict – June 27, 1950, through January 31, 1955;
 - (5) Vietnam Era – February 28, 1961, through May 7, 1975. While federal law recognizes the period from February 28, 1961, through August 4, 1964, as a war period only for those veterans who served in the Republic of Vietnam, Maine’s property tax exemption applies to any veteran who served during the period February 28, 1961, to May 7, 1975, regardless of where that veteran served;
 - (6) Persian Gulf War – August 2, 1990, through the date that the United States Government recognizes as the end of the Persian Gulf War. The Persian Gulf War includes, but is not limited to, Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn; and

- (7) Other recognized service periods:
- (a) Service as a member of the American Merchant Marines in Oceangoing Service between December 7, 1941, and August 15, 1945;
 - (b) February 1, 1955, through February 27, 1961;
 - (c) August 24, 1982, through July 31, 1984; and
 - (d) December 20, 1989, through January 31, 1990.
- E. Just value. “Just value” means market value, i.e., the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller for a property, each acting without compulsion in an arm’s-length transaction.
- F. Municipal assessed value. “Municipal assessed value” means the property value established by the assessor for purposes of local property taxation.
- G. Municipality. “Municipality” means any city, town, plantation, or that portion of a county in the unorganized territory.
- H. 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.
- I. Permanent resident. “Permanent resident” means an individual who has established a permanent residence.
- J. Property. “Property” means real estate and personal property, including property held in joint tenancy by a qualifying veteran and the qualifying veteran's spouse and property held in a revocable living trust for the benefit of a qualifying veteran, qualifying spouse, qualifying child, or qualifying parent.
- K. Qualifying child. “Qualifying child” means a child of a deceased veteran who:
- (1) Is a permanent resident of Maine;
 - (2) Is under the age of 18;
 - (3) Receives a pension or compensation from the federal government as the minor child of a veteran or whose deceased veteran parent would have been eligible for an exemption under 36 M.R.S. § 653 if the parent were alive; and
 - (4) Files an application with the assessor of the municipality where the child maintains their permanent residence.

- L. Qualifying parent. “Qualifying parent” means a widowed parent of a deceased veteran who:
- (1) Is a permanent resident of Maine;
 - (2) Has not remarried and was not divorced at the time of death of the other parent;
 - (3) Is at least 62 years old;
 - (4) Receives a pension or compensation from the federal government based on the service-connected death of the veteran as the veteran’s widowed parent; and
 - (5) Files an application with the assessor of the municipality in which the widowed parent maintains their permanent residence.
- M. Qualifying shareholder. “Qualifying shareholder,” as defined in 36 M.R.S. § 653(2)(B), means a person who is a shareholder in a cooperative housing corporation and who would qualify for a veteran exemption if that person were the owner of the property.
- N. Qualifying spouse. “Qualifying spouse” means a widowed spouse of a deceased veteran who:
- (1) Is a permanent resident of Maine;
 - (2) Was married to the veteran at the time of the veteran's death and has not remarried;
 - (3) Receives a pension or compensation from the federal government as the widowed spouse of a veteran or the deceased veteran would have been eligible for an exemption under 36 M.R.S. § 653 if alive; and
 - (4) Files an application with the assessor of the municipality in which the widowed spouse maintains their permanent residence.
- O. Qualifying veteran. “Qualifying veteran” means any person who served on active duty in the Armed Forces of the United States, who was discharged, retired, or separated under other than dishonorable conditions, and who meets the additional requirements below. In most cases, the U.S. Department of Veterans Affairs (“VA”) considers the categories of “honorable discharge” and “discharge under honorable conditions” (or “general discharge”) as qualifying for discharge under other than dishonorable conditions.

A qualifying veteran must meet all of the following requirements to be eligible for exemption:

- (1) Is a permanent resident of Maine;
- (2) Meets one of the following three service criteria:
 - (a) Has served during any federally recognized war period as defined in Section 1(D) above;

- (b) Has been awarded the Armed Forces Expeditionary Medal; or
 - (c) Has become totally disabled from an injury or disease incurred or aggravated during active military service in the line of duty and is receiving any form of pension or compensation from the federal Government for total service-connected disability. A veteran receiving compensation as unemployable at the 100% level is considered totally disabled; and
- (3) Meets one of the following age/disability criteria:
- (a) Is at least 62 years old by April 1 of the year for which exemption is requested;
 - (b) Receives a pension or compensation from the federal government for total disability, either service- or non-service-connected, as a veteran; or
 - (c) Receives a pension or compensation from the federal government for total disability because of injury or disease incurred or aggravated during active military service in the line of duty or because of unemployability; and
- (4) Files an application with the assessor of the municipality in which the veteran maintains their permanent residence.

2. Exemption for a Qualifying Veteran

- A. In general. Property owned by a qualifying veteran is exempt from property tax for up to \$6,000 of just value in the municipality where the veteran maintains their permanent residence. The exemption must be adjusted by the municipality's certified ratio.
- B. Paraplegic veteran. If a qualifying veteran is paraplegic, the veteran is eligible for an exemption from property tax for up to \$50,000 of just value for a specially adapted housing unit in the municipality where the veteran maintains their permanent residence. To qualify for this larger exemption, the veteran must be a paraplegic veteran within the meaning of 38 United States Code § 2101 and have received a grant from the VA for specially adapted housing. The exemption must be adjusted by the municipality's certified ratio.

3. Exemption for a Qualifying Spouse

- A. In general. Property owned by a qualifying spouse is exempt from property tax for up to \$6,000 of just value in the municipality where the qualifying spouse maintains their permanent residence. The exemption increases to \$7,000 for the qualifying spouse of a deceased veteran who served during World War I. The exemption must be adjusted by the municipality's certified ratio.

B. Qualifying spouse of a paraplegic veteran. If an individual is the qualifying spouse of a paraplegic veteran, that qualifying spouse is eligible for an exemption from property tax for up to \$50,000 of just value in the municipality where the qualifying spouse maintains their permanent residence. To qualify for the larger exemption, the spouse must meet the requirements, except for the requirement under Section 1(M)(4) above, of a qualifying spouse and be the widowed spouse of a paraplegic veteran within the meaning of 38 United States Code, Chapter 21, section 2101, who received a grant from the VA for specially adapted housing. The exemption must be adjusted by the municipality's certified ratio.

4. Exemption for a Qualifying Child

Property owned by a qualifying child of a deceased veteran is exempt from property tax for up to \$6,000 of just value in the municipality where the child maintains their permanent residence. The exemption must be adjusted by the municipality's certified ratio.

5. Exemption for a Qualifying Parent

Property owned by a qualifying parent of a deceased veteran is exempt from property tax for up to \$6,000 of just value in the municipality where the parent maintains their permanent residence. The exemption must be adjusted by the municipality's certified ratio.

6. Exemption for a Cooperative Housing Corporation

A cooperative housing corporation is entitled to an exemption against the value of property of the corporation occupied by qualifying shareholders. A qualifying shareholder must file an application with the cooperative housing corporation, and the corporation must file an application with the assessor of the municipality on behalf of all qualifying shareholders. The corporation's application for exemption must include a list of all qualifying shareholders, any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. Notwithstanding the application process in Section 7, a cooperative housing corporation must update its application annually to reflect changes in eligibility. The total exemption is equal to the sum of the exemptions that each qualifying shareholder could have claimed if they were the owner of the property. For example, a cooperative housing corporation has ten shareholders, six of whom are qualifying shareholders. Each qualifying shareholder would be eligible for a \$6,000 exemption if they owned the property. The total exemption for the cooperative housing corporation would be \$36,000 (\$6,000 x 6). The total exemption must be adjusted by the municipality's certified ratio.

A cooperative housing corporation that receives an exemption pursuant to this section must apportion the property tax reduction resulting from the exemption among the qualifying shareholders according to the proportion of the total exemption that each qualifying shareholder would be entitled to if the qualifying shareholder were the owner of property. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

7. Application

An applicant for the veteran exemption must file an application with the assessor of the municipality in which the applicant maintains their permanent residence. The applicant must furnish proof of entitlement for the exemption by April 1 of the year the applicant first requests an exemption. Once the veteran or other qualifying individual receives an exemption, an annual application for exemption is not necessary unless specifically requested by the assessor.

Another person, such as a parent or legal guardian, may make a claim on behalf of a qualifying child.

An assessor may abate taxes for a qualifying spouse or child who misses the April 1 application deadline, if that qualifying individual applies within one year of the commitment date and the related veteran died during the 12-month period preceding April 1 for which the tax was committed. 36 M.R.S. § 841(4).

An application for the veteran exemption, including proof of entitlement, is confidential and will not be available for public inspection. 36 M.R.S. § 653(1)(G).

8. Proof of Entitlement

The following items may generally be used to provide proof of entitlement:

- A. A copy of the applicant's birth certificate if the claim is based on age.
- B. A copy of the veteran's Report of Separation (usually DD Form 214, Certificate of Release or Discharge from Active Duty).
- C. A copy of the certificate or letter from the VA or other federal agency stating that the applicant receives compensation or a pension from the federal government as a veteran or widowed spouse of a deceased veteran. For explanation of the certificate furnished by the VA (formerly VA Form 20-5455 or 20-5455a), see Section 9 below. If this certificate or letter is not available, the applicant may provide other proof of payment for total disability or service-connected disability.
- D. A copy of a letter from the appropriate federal agency stating that a qualifying spouse, qualifying child, or qualifying parent receives a pension from the federal government based on the death of a veteran.
- E. A copy of the letter from the VA or other federal agency verifying the paraplegic veteran applicant received a grant from the federal government for specially adapted housing.

The assessor may request additional documentation as necessary to document eligibility for the exemption.

9. Benefit Summary Letter

Veterans receive an annual Summary of Benefits letter that outlines the eligibility for a variety of state benefits, including the veteran property tax exemption. Questions about this letter may be answered by contacting:

**U.S. Department of Veterans Affairs
Togus Regional Benefit Office
Attn: Jaime Robichaud
1 VA Center
Augusta, Maine 04330
(207) 623-8411 ext. 5228
jaime.robichaud@va.gov**

10. Amount of Exempt Value

The exemptions described in sections 2-6 above represent the exemption at just value. To determine the amount of the exemption at municipal assessed value, the assessor must multiply the total amount of the allowable exemption by the municipality's certified ratio for the tax year in question. In cases where a municipality's certified ratio is higher or lower than 100%, the municipal assessed value of an exemption will be higher or lower than the limits stated above.

If a municipality's certified ratio is less than 100% and that municipality has enacted a veteran benefit program pursuant to 36 M.R.S. § 6234, a resident veteran may be eligible for an additional benefit. The additional benefit is equal to the difference between the full value of the veteran exemption discussed in this bulletin and the adjusted exemption amount based on the municipality's certified ratio. Veterans who rent their residences may be eligible for a \$100 benefit. Veterans should contact their local assessor for more information.

11. Exemption Limitations

An individual is not entitled to a benefit under more than one of the exemptions covered in this bulletin in any one tax year.

Exemptions apply only to property, or the interest in property, taxable in the place where the applicant maintains their permanent residence. Property must be owned by an applicant, owned by an applicant and the applicant's spouse in joint tenancy, or held in a revocable living trust for the benefit of the applicant. For purposes of the exemptions, the holder of a life estate in a property is considered the owner of the property.

Property conveyed to another person to obtain a veteran exemption will not qualify for a veteran exemption, unless the property is conveyed between spouses.

When a qualifying veteran dies without a will and leaves property, any qualifying spouse and minor children are jointly entitled to only a single exemption of up to the appropriate exemption amount, but no more than the municipal assessed value of the property.

A person who fraudulently obtains a veteran exemption under 36 M.R.S. § 653 will be subject to a fine of up to \$100 or twice the amount of taxes evaded, whichever is greater.

NOTE: This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed, contact the Property Tax Division of Maine Revenue Services.

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