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**PROPERTY TAX BULLETIN NO. 7**  
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**SUBJECT: TAX EXEMPTIONS FOR VETERANS**  
**REFERENCE: Title 36, M.R.S.A. § 653**

This bulletin has been prepared in order to outline the provisions relating to property tax exemption of veterans.

1. Definitions:

A. "Veteran" is any person who served in active service in the Armed Forces of the United States and who, if discharged, retired or separated from the armed forces, was discharged, retired or separated under other than dishonorable conditions. A veteran must also have:

- (1) Served during any federally recognized war period; or
- (2) Served during the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990; or
- (3) Been awarded the Armed Forces Expeditionary Medal; or
- (4) Served as a member of the American Merchant Marine in Oceangoing Service between December 7, 1941 and August 15, 1945; or
- (5) Became totally disabled during active service in the line of duty (applies to veterans who did not serve during one of the recognized war periods above).

B. "Federally Recognized War Periods" are:

- World War I - April 6, 1917 to November 11, 1918, inclusive.
- World War I - (service in Russia) - April 6, 1917 to March 31, 1920, inclusive.
- World War II - December 7, 1941 to December 31, 1946, inclusive.
- Korean Campaign - June 27, 1950 to January 31, 1955, inclusive.
- Vietnam War - means the period beginning on February 28, 1961 and ending on May 7, 1975 (a veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975 unless the veteran died in service or was discharged for service-connected disability after that date).
- Persian Gulf War – means the period on or after August 2, 1990 to the date that the United States Government recognizes as the end of the Persian Gulf War.

C. "Cooperative Housing Corporation" 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. "Qualifying Shareholder" means a person who is a shareholder in a cooperative housing corporation who would qualify for a veterans exemption if they were the owner of the property.

2. Veterans Exemption:

A. In General:

Estates of veterans, real and personal, including property held in joint tenancy with the veteran's spouse or held in a revocable living trust for the benefit of that veteran, are exempt up to **\$6,000** (\$7,000 for veterans who served during any federally recognized war period prior to World War II) of just valuation and only in the place where the veteran is a legal resident, provided the veteran:

(1) is a resident of the State of Maine; and

(2) has notified in writing the assessors of the municipality in which he or she resides of his or her claim for exemption and furnished proof of his or her entitlement on or before April 1 (such notification once made need not be repeated in subsequent years); and

(3) has reached the age of 62 years; or

is receiving a pension or compensation from the United States Government for total disability, either service or non-service connected, as a veteran; or

is receiving a pension or compensation from the United States Government for total disability as a result of injury or disease incurred or aggravated during active military service in the line of duty. (VA Tax Code status should be reviewed annually.)

B. Paraplegic Veterans:

Estates of paraplegic veterans, including property held in joint tenancy with the veteran's spouse or held in a revocable living trust for the benefit of that veteran, are exempt up to **\$50,000** of just valuation, for a specially adapted housing unit, and only in the place where the veteran is a legal resident, provided the veteran:

(1) is a resident of the State of Maine; and

(2) has notified in writing the assessors of the municipality in which he or she resides of his or her claim for exemption and furnished proof of his or her entitlement on or before April 1 (such notification once made need not be repeated in subsequent years); and

(3) is a paraplegic veteran, so-called, within the meaning of 38 United States Code, Chapter 21, Section 2101; and

(4) has received a grant from the United States Government for such specially adapted housing.

3. Veterans Exemption – Widows and Widowers:

A. In General:

Estates of a widow or a widower of a veteran, real and personal, including property held in a revocable living trust for the benefit of that widow or widower, are exempt up to **\$6,000** (\$7,000 for the widow or widower of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence. The widow or widower must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing the assessors of the municipality in which the widow or widower resides of the claim for exemption and furnished proof of entitlement on or before April 1 (such notification once made need not be repeated in subsequent years)\*; and
- (3) not be remarried (the divorced wife or the divorced husband of a qualified veteran or the remarried widow or remarried widower of a qualified veteran is not eligible for exemption); and
- (4) be receiving, regardless of their age, a pension or compensation as a widow or as a widower of a veteran from the United States Government; or  
be a widow or widower of a veteran who could be entitled to such exemption if living.

B. Widows or Widowers of Paraplegic Veterans:

In order for a widow or a widower of a paraplegic veteran to be exempt from taxation up to **\$50,000** of just valuation in the place of legal residence, they must:

- (1) meet the requirements of paragraph A (1-3) above, and
- (2) be the widow or widower of a paraplegic veteran, so-called, within the meaning of 38 United States Code, Chapter 21, Section 801, who received a grant from the United States Government for such specially adapted housing.

**NOTE:** When a qualified veteran dies intestate (without a will) leaving property and is survived by a widow or widower and a minor child or children, they are jointly entitled only to a single exemption of up to the limit of just valuation that applies to the service and period of the claim.

4. Veterans Exemption – Minor Child:

Estates of a minor child of a deceased veteran, real and personal, including property held in a revocable living trust for the benefit of that minor child, are exempt up to **\$6,000** (\$7,000 for the minor child of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence, he or she must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing the assessors of the municipality in which he or she resides of the claim for exemption and furnished proof of entitlement on or before April 1.\*

Such notification may be made by another in the minor's behalf, such as parent or guardian (such notification once made need not be repeated in subsequent years); and

- (3) be under the age of 18.

\*Even though a widow, a widower or minor child has not made this claim and furnished proof of entitlement, the assessors may make abatement on written application within one year of commitment, provided the veteran died during the 12-month period preceding the April 1st for which the tax was committed. 36 M.R.S.A., section 841, 4.

5. Veterans Exemption – Parents:

The estates of a widow or a widower parent of a deceased veteran, real and personal, including property held in a revocable living trust for the benefit of that parent are exempt from taxation up to **\$6,000** (\$7,000 for a parent of a deceased veteran who served during a war period prior to World War II) of just valuation in the place of legal residence, they must:

- (1) be a legal resident of the State of Maine; and
- (2) have notified in writing the assessors of the municipality in which the parent resides of the claim for exemption and furnished proof of entitlement on or before April 1 (such notification once made need not be repeated in subsequent years); and
- (3) not be remarried (the divorced parent of a veteran or the remarried widowed parent of a veteran is not eligible for exemption); and
- (4) have reached the age of 62; and
- (5) be in receipt of pension or compensation based upon the service connected death of the parent's child.

6. Veterans Exemption – Cooperative Housing Corporations:

A cooperative housing corporation is entitled to an exemption to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. A qualifying shareholder must make application to the cooperative housing corporation and the corporation must make application to the assessors of the municipality in which the property is located on or before April 1. The corporation's application for exemption must include a list of all qualifying shareholders and any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. The corporation's application must be updated annually to reflect changes in eligibility. The exemption is equal to the total amount that would be claimed if the qualifying shareholders were owners of the property.

A cooperative housing corporation that receives an exemption pursuant to this section shall 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. Amount of Exempt Valuation:

In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return to the State Tax Assessor.

8. Exemption Limitation:

No person shall be entitled to property tax exemption under more than one of the foregoing exemptions.

Exemptions apply only to property, or the interest in property, taxable in the place of the applicant's legal residence. Such property must be actually owned by the person eligible for exemption, by the veteran and the veteran's spouse in joint tenancy, or held in a revocable living trust for the benefit of the person eligible for exemption.

No property conveyed to any person for the purpose of obtaining exemption from taxation under the provisions of this law shall be so exempt, excepting property conveyed between husband and wife, and the obtaining of such exemptions by means of fraudulent conveyance shall be punished by a fine of not less than \$100 and not more than two times the amount of taxes evaded by such fraudulent conveyance whichever amount is greater.

9. Proof of Entitlement:

Evidence of entitlement should be sufficient to satisfy the assessors that the person is eligible. The following is illustrative of satisfactory evidence.

- (1) Copy of birth certificate together with presentation of honorable discharge papers, if the claim is based on age 62.
- (2) Certificate or letter from the Veterans Administration or other federal agency that the applicant is receiving compensation or pension from the United States Government as a veteran or widow/widower of a veteran. For explanation of the certificate (formerly VA Form 20-5455 or 20-5455a) furnished by the Veterans Administration, see Section 9 of this bulletin. Unless this certificate or letter is furnished, the evidence relied on should indicate whether the compensation or pension is for total disability; and if not, whether it is service connected disability.
- (3) Widows, widowers, minor children, or widowed parents of veterans should present a letter from the appropriate federal agency stating that they are in receipt of a pension from the United States Government based upon the death of the veteran.
- (4) Letter from Veterans Administration or other federal agency verifying grant from the United States Government to the paraplegic veteran for specially adapted housing.

10. Veterans Administration Statement from Benefit Payment Records:

(Formerly VA Form 20-5455 or 20-5455a was issued; more recently a certificate or letter will be issued).

Explanation of Codes:

- (1) Statements for World War I veterans or their widowed spouse are unnecessary since all have reached age 62 or would be 62 or more if living. (See Section 8 (1) of this bulletin).

- (2) Assessors are concerned only with the Code number used by the VA. The Code will be either "1", "2", or "3".

**Code 1** indicates that the veteran is receiving compensation for a 10% to 90% service connected disability. Therefore the veteran is **not** entitled to tax exemption because of disability.

**Code 2** indicates that the veteran is entitled to property tax exemption as receiving compensation for total service connected disability.

**Code 3** indicates that the veteran is entitled to property tax exemption as receiving a non-service connected pension due to total disability.

**Code 2 and 3** also apply to widows and widowers of veterans and indicate that they are entitled to property tax exemption as they are receiving compensation (Code 2) or a pension (Code 3) from the United States Government.

If individual questions arise concerning the Coding found on this form, contact:

Veterans Services Division  
Veterans Administration Center  
Togus, Maine 04330  
1-800-827-1000

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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