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# Homestead Exemption FAQs

## 1. What is the homestead exemption?

The homestead exemption provides a reduction of up to \$20,000 (\$15,000 for 2016 and \$10,000 for years prior to 2016) in the value of your home for property tax purposes. To qualify, you must be a permanent resident of Maine, the home must be your permanent residence, you must have owned a home in Maine for the twelve months prior to applying and an application must be filed on or before April 1 with the municipality where the property is located. The exemption applies to any residential property that is assessed as real property. For instance, a mobile home located on a rented lot may qualify for the exemption. You can download the application at [www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf](http://www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf) (<http://www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf>).

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## 2. Am I a permanent resident?

A permanent resident is an individual who has a true, fixed, and permanent home to which the individual, whenever absent, has the intention of returning. You 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. For more information, see [36 M.R.S. § 682](http://www.mainelegislature.org/legis/statutes/36/title36sec682.html) (<http://www.mainelegislature.org/legis/statutes/36/title36sec682.html>).

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## 3. How do I apply for the homestead exemption?

The homestead exemption application is available at most municipalities or you may download the application at [www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf](http://www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf) (<http://www.maine.gov/revenue/forms/property/apps/homesteadapp.pdf>). The completed application must be submitted to the municipality where you reside. If your home has more than one owner, only one signature is required. Forms filed after April 1 of any year will apply to the next year's tax assessment.

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## 4. Do I have to apply for the exemption each year?

No. Once the exemption has been approved, it will remain in effect as long as your ownership and residency status remain unchanged.

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## 5. Can I have more than one exemption?

No. The homestead exemption is limited to only your primary residence; camps, vacation homes, and second residences do not qualify. If you also qualify for a veteran or blind exemption, the homestead exemption is in addition to those exemptions. Please visit our [Property Tax Exemptions \(http://www.maine.gov/revenue/propertytax/sidebar/exemptions.htm\)](http://www.maine.gov/revenue/propertytax/sidebar/exemptions.htm) page for more information.

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## 6. Why is the exemption on my tax bill less than \$20,000?

The \$20,000 exemption must be adjusted by the local declared ratio. The local declared ratio is generally the percentage difference between the fair market value of your home and the local assessed value. Since your property taxes are based on the local assessed value, the \$20,000 statewide exemption must be adjusted to apply to all property in the state equally. For example, if the local declared ratio in your town is 80%, your homestead exemption is computed in the following manner:  $\$20,000 \times .80 = \$16,000$ . Your property value would be reduced by \$16,000 by the homestead exemption. If you have further questions regarding the computation of your exemption, please contact your municipality or your local tax assessor. The homestead exemption cannot exceed the total value of your homestead; if the total value of your homestead is \$14,000; your homestead exemption cannot exceed \$14,000.

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## 7. What should I do if my application is rejected?

If your local assessor determines that you are not entitled to a homestead exemption, the assessor will send you a notice that includes the reasons for denial. You may appeal the denial in writing to the local Board of Assessment Review or to the County Commissioners. Further guidance may be found in Property Tax Bulletin No. 10 and 36 M.R.S. §§ 843 and 844.

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