
Governor's tax plan faces pushback over property taxes

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AUGUSTA, Maine -

A line of people opposed to Gov. Paul LePage's budget proposal stretched down a State House hallway Thursday.

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Although the governor touts his proposed cuts to state income taxes, his budget could also add hundreds of dollars to property tax bills or cause local nonprofits to go belly-up, opponents said.

It was standing room only as about 50 people signed up to speak about parts of LePage's budget proposal during an Appropriations Committee meeting.

The governor's plan includes taxing nonprofits valued at more than \$500,000, including hospitals.

"Adding property taxes to the strained hospital budget would only further potential reductions of services. They're struggling today as it is," Calais Mayor Marianne Moore said.

The proposal could also levy new taxes on certain libraries.

"The proposal to tax these institutions may be the death knell for some of these small libraries," said Anne Davis of the Gardiner Public Library.

Officials at nonprofit charities are also worried about what the new property taxes would do to their operations.

"We barely break even on each of our properties. Paying taxes would reverse that," said Cullen Ryan of Community Housing of Maine.

Officials in the LePage administration said the groups need to pay their fair share.

"This exemption limitation will require large, tax-exempt entities to contribute to the municipal services from which they benefit," said Richard Rosen, state finance commissioner.

Another topic discussed Thursday was the governor's proposal to eliminate the homestead property tax exemption for people who are younger than 65.

"This is the worst form of age discrimination. Our state is working to attract a younger workforce to the state to make our state grow. This is a great way of discouraging it," said Matthew Pineo, Brownville town manager.

City and town managers said the budget plan could add hundreds of dollars to the property tax bills of middle-class Mainers.

“And I am very concerned that we are a community trying to grow itself, attract younger people, attract new homeowners, and this will send the absolute wrong message,” Gardiner Mayor Thom Harnett said.

The governor’s proposal would double the homestead exemption for Mainers who are 65 and older. It would also not tax houses of worship or public property.

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