NONPROFIT PROPERTY TAX EXEMPTION TALKING POINTS
March 7, 2018

Nonprofits earn their property tax exemption
Nonprofits provide valuable services and benefits to their communities and the state as a whole. They serve primarily the communities in which they are located and are among the critical economic engines of many communities. We make our communities more desirable places to live and raise a family. As government at all levels faces fiscal challenges, municipalities look to nonprofits more than ever to help provide essential community services. Because many of these services, if not provided by nonprofits, would fall to the responsibility of the government, nonprofits relieve some of the burden of government. We earn our property tax exemption.

Nonprofits work for Maine
One in six Maine workers works for a nonprofit. We’re a key partner in keeping Maine’s economy strong. Maine nonprofits contribute approximately $11 billion dollars per year to the economy through wages paid, retail and wholesale purchases and professional service contracts. This group of vibrant nonprofit organizations invests significant financial and organizational resources in their communities and mobilizes over 345,000 volunteers annually – volunteers who donate almost $935 million in time and resources to their communities (see our Adding Up Impact report).

Maine nonprofits are important community partners
Across the state, municipalities and counties provide important services, such as fire and police protection, sanitation services, and general infrastructure, to their communities. Nonprofits also provide important services, such as job training, housing, mental health services, transportation, conservation, and arts, culture, and other enrichment opportunities, to municipalities.

Many pay some form of property taxes despite earning the exemption
Even though they have earned an exemption, many nonprofits pay some form of property taxes. Some pay current use taxes such as Tree Growth or Open Space. Others choose to pay taxes on some of their buildings. And others choose to make payments in lieu of taxes (PILOTS). These are conversations that happen within each community and are unique to each community.

Nearly all land trusts pay property taxes
Land trusts are different from other nonprofits in that they own land and not generally buildings. Nearly all land trusts pay some form of property tax. The Land Trust Network’s informative study, Land Trusts Work for Maine, points out that 94.5% of land trust conserved lands are on the tax rolls. Land trust pay property taxes or payments in lieu of taxes. Land trust lands comprise .33% of the value of all tax exempt municipal land in Maine.

Maine’s Legislature has already addressed these issues
The Legislature has already addressed the issue of the nonprofit property tax exemption in multiple ways and at multiple times and has rejected such proposals. (See the legislative history.)