

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1206

S.P. 495

In Senate, March 20, 2025

**An Act to Control Property Taxes by Increasing the Percentage of
the Business Equipment Tax Exemption That Municipalities May
Recover**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator TEPLER of Sagadahoc.
Cosponsored by Senators: DUSON of Cumberland, ROTUNDO of Androscoggin, TALBOT
ROSS of Cumberland, TIPPING of Penobscot, Representatives: DUCHARME of Madison,
ROEDER of Bangor.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §694, sub-§2, ¶A**, as enacted by PL 2005, c. 623, §1, is amended
3 to read:

4 A. Notwithstanding section 661, upon proof in a form satisfactory to the bureau, unless
5 a municipality chooses reimbursement under paragraph B, a municipality that has
6 accepted a valid exemption under this subchapter is entitled to recover from the State
7 the applicable percentage of property tax revenue lost by reason of the exemption.
8 Except as otherwise provided in this subsection, the applicable percentage is:

- 9 (1) For property tax years beginning April 1, 2008, 100%;
- 10 (2) For property tax years beginning April 1, 2009, 90%;
- 11 (3) For property tax years beginning April 1, 2010, 80%;
- 12 (4) For property tax years beginning April 1, 2011, 70%;
- 13 (5) For property tax years beginning April 1, 2012, 60%; ~~and~~
- 14 (6) For property tax years beginning April 1, 2013 and for subsequent tax years
15 prior to April 1, 2026, 50%;
- 16 (7) For property tax years beginning April 1, 2026, 60%;
- 17 (8) For property tax years beginning April 1, 2027, 70%;
- 18 (9) For property tax years beginning April 1, 2028 and April 1, 2029, 75%; and
- 19 (10) For property tax years beginning on or after April 1, 2030, 80%.

20 **SUMMARY**

21 This bill amends provisions governing the business equipment tax exemption. Current
22 law allows municipalities to recover from the State 50% of the tax revenue lost as the result
23 of a valid business equipment tax exemption. The bill increases the percentage that a
24 municipality may recover for property tax years beginning April 1, 2026 to 60%. Under
25 the bill, the percentage recoverable increases each property tax year until the percentage
26 recoverable is 80% for property tax years beginning on or after April 1, 2030.