

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1603

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S.P. 640

In Senate, April 10, 2025

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**An Act to Eliminate the Property Tax on Business Equipment With  
a Value of No More Than \$50,000**

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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 MARTIN of Oxford.  
Cosponsored by Representative SOBOLESKI of Phillips and  
Senators: BICKFORD of Androscoggin, GUERIN of Penobscot, LIBBY of Cumberland,  
MOORE of Washington, Representative: BOYER of Poland.

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

2 **Sec. 1. 36 MRSA §655, sub-§1, ¶U**, as amended by PL 2023, c. 682, §2, is further  
3 amended by amending the 2nd blocked paragraph to read:

4 This paragraph applies to solar energy equipment for property tax years beginning  
5 before April 1, 2025; ~~and~~

6 **Sec. 2. 36 MRSA §655, sub-§1, ¶V**, as enacted by PL 2023, c. 682, §3, is amended  
7 by amending the first blocked paragraph to read:

8 On or before April 1st of the first property tax year for which a taxpayer claims an  
9 exemption under this paragraph, the taxpayer claiming the exemption shall file a report  
10 with the assessor. The report must identify the property for which the exemption is  
11 claimed and must be made on a form prescribed by the State Tax Assessor or a  
12 substitute form approved by the State Tax Assessor. The State Tax Assessor shall  
13 furnish copies of the form to each municipality in the State and make the forms  
14 available to taxpayers; ~~and~~

15 **Sec. 3. 36 MRSA §655, sub-§1, ¶W** is enacted to read:

16 W. Business equipment with a value of no more than \$50,000. For purposes of this  
17 paragraph, "business equipment" means tangible personal property that is used or held  
18 for use exclusively for a business purpose by the person in possession of it or, in the  
19 case of construction in progress or inventory parts, is intended to be used exclusively  
20 for a business purpose by the person who will possess that property and includes,  
21 without limitation, repair parts; replacement parts; replacement equipment; additions,  
22 accessions and accessories to other personal property; inventory parts; office furniture,  
23 including lamps and lighting fixtures; and gambling machines or devices, including  
24 associated equipment such as computer equipment, equipment used in the playing  
25 phases of lottery schemes and repair and replacement parts of a gambling machine or  
26 device. "Business equipment" does not include property to the extent it is eligible for  
27 exemption from property tax under any other provision of law.

28 **Sec. 4. 36 MRSA §655**, as amended by PL 2023, c. 682, §§1 to 3, is further amended  
29 by enacting at the end a new paragraph to read:

30 Notwithstanding any provision of law to the contrary, a political subdivision of the  
31 State may not impose a tax or fee on business equipment with a value of no more than  
32 \$50,000.

33 **Sec. 5. 36 MRSA §6651, sub-§1**, as repealed and replaced by PL 2007, c. 627,  
34 §95, is amended to read:

35 **1. Eligible property.** "Eligible property" means qualified business property first  
36 placed in service in the State, or constituting construction in progress commenced in the  
37 State, after April 1, 1995 but does not include property that is ~~eligible~~ business equipment  
38 ~~as defined in section 691 exempt from taxation pursuant to section 655, subsection 1,~~  
39 ~~paragraph W.~~ "Eligible property" includes, without limitation, repair parts, replacement  
40 parts, additions, accessions and accessories to other qualified business property placed in  
41 service on or before April 1, 1995 if the part, addition, accession or accessory is first placed  
42 in service, or constitutes construction in progress, in the State after April 1, 1995, unless  
43 that property is ~~eligible~~ business equipment ~~as defined in section 691 exempt from taxation~~

1 pursuant to section 655, subsection 1, paragraph W. "Eligible property" includes used  
2 qualified business property if the qualified business property was first placed in service in  
3 the State, or constituted construction in progress commenced in the State, after April 1,  
4 1995 but does not include property that is ~~eligible~~ business equipment as defined in section  
5 ~~694 exempt from taxation pursuant to section 655, subsection 1, paragraph W.~~ "Eligible  
6 property" also includes inventory parts.

7 **Sec. 6. Guidance and assistance.** The Department of Administrative and Financial  
8 Services, Bureau of Revenue Services shall develop and provide guidance to municipalities  
9 and businesses regarding the elimination of the property tax on business equipment with a  
10 value of \$50,000 or less. The bureau shall provide assistance to a municipality or business  
11 that requests assistance in complying with this Act.

12 **Sec. 7. Application.** This Act applies to property tax years beginning on or after  
13 April 1, 2026.

#### 14 SUMMARY

15 This bill exempts all business equipment with a value of no more than \$50,000 from  
16 the personal property tax and prohibits a political subdivision of the State from imposing a  
17 tax on such business equipment. The bill applies to property tax years beginning on or after  
18 April 1, 2026. The bill also requires the Department of Administrative and Financial  
19 Services, Bureau of Revenue Services to develop and provide guidance to municipalities  
20 and businesses regarding compliance with the elimination of the property tax on business  
21 equipment with a value of no more than \$50,000.