

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1033

H. P. 848

House of Representatives, March 5, 1979

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Reeves of Pittston.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Provide that the State Tax Assessor Shall Use Information from Federal Income Tax Forms to Determine Appropriate Valuation of Land under the Tree Growth Tax Law for Those Taxpayers who Declare Capital Gains from Timber Sales on Federal Income Tax Returns.

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

36 MRSA § 577-A is enacted to read:

§ 577-A. Valuation used for federal capital gains purposes to be used by State Tax Assessor in determining valuations for landowners declaring capital gains on timber or wood products sales

1. Submission of copy of federal income tax returns. The owner or owners of forest land subject to taxation under this subchapter, who declare capital gains or losses from income from forest products under the United States Internal Revenue Code, Section 631 (a) on their federal income tax return shall submit on or before April 1st a copy of the federal income tax return to the State Tax Assessor.

2. State Tax Assessor to make determination. For the land of each owner or owners of land subject to taxation under this subchapter who declare capital gains from forest product sales under the United States Internal Revenue Code, Section

631 (a), the State Tax Assessor shall make a separate determination of 100% valuation per acre, using "fair market value" of the stumpage cut on the owner's land as declared in the owner's federal income tax return in place of the State Tax Assessor's area-wide determinations of "average stumpage values" whenever the declared values are higher.

3. Forwarding of valuations to local assessors. The State Tax Assessor shall forward 100% valuations determined for individual owners under this subsection to the local assessors responsible for valuation of each parcel.

STATEMENT OF FACT

This bill provides that the State Tax Assessor shall use information from federal income tax forms to determine appropriate valuation of land under the Tree Growth Tax Law for those taxpayers who declare capital gains from timber sales on federal income tax returns.