

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-476)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1003, L.D. 1237, Bill,
"AN ACT Relating to Withdrawal Penalties under the Tree Growth
Tax Law."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'Sec. 1. 36 MRSA §581, 2nd sentence, as amended by PL
1973, c. 308, §12, is further amended to read:

The owner of land subject to this subchapter may at any time
request withdrawal of any parcel, or portion thereof, from
taxation under this subchapter by certifying to the assessor
that the land is no longer ~~used-primarily-for-growth-of-forest~~
products to be classified under this subchapter.

Sec. 2. 36 MRSA §581, 3rd ¶, as amended by PL 1973,
c. 308, §12, is further amended to read:

In either case, and except when the change is occasioned by
a transfer to the State or other entity holding the power of
eminent domain, resulting from the exercise or threatened
exercise of that power, withdrawal shall impose a penalty upon
the owner which shall be the greater of (a) an amount equal to
the taxes which would have been assessed on the first day of
April for the 5 tax years, or any lesser number of tax years
starting with the year in which the property was first classified,
preceding such withdrawal had such real estate been assessed in
each of those years at its fair market value on the date of
withdrawal less all taxes paid on said real estate over the
preceding 5 years, and interest at the legal rate from the date

or dates on which said amounts would have been payable or (b) an amount computed by multiplying the amount, if any, by which the fair market value of the real estate on the date of withdrawal exceeds the 100% valuation of the real estate pursuant to this subchapter on the preceding April 1st, by the following rates: 10% from April 1, 1973 to March 31, 1978, 20% from after April 1, 1978 ~~to March 31, 1983 and 30% after March 31, 1983.~~ Fair market value at the time of withdrawal is the assessed value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.'

Statement of Fact

Sec. 1. In order to withdraw from the Tree Growth Tax Law a landowner must certify that the land is no longer presently used for the growth of forest products. This amendment would permit a landowner to withdraw for any reason and be subjected to the withdrawal penalties.

Sec. 2. Present law imposes increasing penalties for withdrawal of land classified under the Tree Growth Tax Law. This amendment freezes the percentage penalty at 20%. The Joint Select Committee on Forest Resources recommends the definition of fair market value of property.