

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

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ONE HUNDRED AND NINTH LEGISLATURE

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**Legislative Document**

**No. 1237**

H. P. 1003

House of Representatives, March 15, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Miss Brown of Bethel.

Cosponsors: Mr. Marshall of Millinocket, Mr. Brenerman of Portland and Mr. Wood of Sanford.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

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**AN ACT Relating to Withdrawal Penalties under the Tree Growth Tax Law.**

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

**36 MRSA § 581, 3rd ¶**, as last 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 April 1, 1978 to March 31, 1983 and 30% after March 31, 1983~~ **fair market value of the real estate on the date of withdrawal by the following rates: 10% if such withdrawal occurs within one year from the date of classification of the real estate under this subchapter, this rate to be reduced by one percentage point for each succeeding year during which the real estate is classified under this subchapter.**

#### STATEMENT OF FACT

Present law imposes increasing penalties for withdrawal of land classified under the Tree Growth Tax Law. This increase is based solely upon the passage of time during which the land has been so classified. Such existing provisions are contrary to state policy and discourage proper forest land management.