

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1391

S. P. 490

In Senate, March 19, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Trafton of Androscoggin.

Cosponsor: Representative Davies of Orono.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Provide Tax Incentives for Alternate Energy Sources.

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

Sec. 1. 36 MRSA § 655, sub-§ 1, ¶ Q is enacted to read:

Q. Any wind energy system, as defined by section 656, subsection 1, paragraph I, which is used primarily to provide electricity or mechanical energy on the premises where it is installed shall be exempt for a period of 5 years from the date of installation of the system. This paragraph shall remain in effect until January 1, 1988.

Sec. 2. 36 MRSA § 655, sub-§ 1, ¶ R is enacted to read:

R. Any wood furnace, as defined by section 656, subsection 1, paragraph J, which is designed primarily to provide space heating, water heating or both on the premises where it is installed shall be exempt for a period of 5 years from the date of installation of the system. This paragraph shall remain in effect until January 1, 1988.

Sec. 3. 36 MRSA § 656, sub-§ 1, ¶ H, last sentence, as enacted by PL 1977, c. 542, § 2, is amended to read:

This paragraph shall remain in effect until January 1, ~~1983~~ 1988.

Sec. 4. 36 MRSA § 656, sub-§ 1, ¶¶ I and J are enacted to read:

I. Any wind energy system which is used primarily to provide electricity or mechanical energy on the premises where it is installed shall be exempt for a period of 5 years from the date of installation of the system. Any person claiming the property tax exemption shall follow the procedure of paragraph H.

As used in this paragraph:

(1) "Wind energy system" means any machine or device which converts available wind energy into electrical or mechanical output form. A wind energy system has 4 subsystems:

- (a) A rotor;
- (b) Power processing components, including associated energy storage devices;
- (c) Frame; and
- (d) Control components.

This paragraph shall remain in effect until January 1, 1988.

J. Any wood furnace which is designed primarily to provide space heating, water heating or both on the premises where it is installed shall be exempt for a period of 5 years from the date of installation of the system. Any person claiming the exemption shall follow the procedure of paragraph H.

As used in this paragraph:

(1) "Wood furnace" means a wood burning appliance designed to operate as a central heating system. The furnace may burn wood solely or burn wood in combination with another fuel. A "central heating system" means using central furnaces to distribute heat by a series of pipes, ducts or similar distribution system throughout a single building or group of buildings. A wood furnace shall not include a fireplace, meaning a hearth, a fire chamber or similarly prepared place with a chimney intended to be usable in an open configuration whether or not it can also be closed and operated closed; or a "wood stove," meaning a wood burning appliance designed for space heating purposes which does not operate as a central heating system.

This paragraph shall remain in effect until January 1, 1988.

Sec. 5. 36 MRSA § 1752, sub-§ 14-A, last sentence, as enacted by PL 1977, c. 542, § 3, is amended to read:

This subsection shall remain in effect until January 1, ~~1988~~ 1988.

Sec. 6. 36 MRSA § 1752, sub-§§ 22 and 23 are enacted to read:

22. Wind energy system. "Wind energy system" means any machine or device which converts available wind energy into electrical or mechanical output form. A wind energy system has 4 subsystems:

- A. A rotor;
- B. Power processing components, including associated energy storage devices;
- C. Frame; and
- D. Control components.

23. **Wood furnace.** "Wood furnace" means a wood burning appliance designed to operate as a central heating system.

Sec. 7. 36 MRSA § 1760, sub-§ 38, last sentence, as reallocated by PL 1977, c. 696, § 273-A, is amended to read:

This subsection shall remain in effect until January 1, ~~1983~~ 1988.

Sec. 8. 36 MRSA § 1760, sub-§ 38-A is enacted to read:

38-A. Wind energy systems and wood furnaces. Sales of any wind energy system or wood furnace certified as such by the Office of Energy Resources. Any person claiming the sales and use tax exemption shall follow the procedure of subsection 38. This subsection shall remain in effect until January 1, 1988.

STATEMENT OF FACT

This bill encourages the installation of renewable energy systems: Wind energy systems and wood furnaces by providing a sales tax exemption and a 5-year property tax exemption; and solar energy equipment by extending the sunset date of the existing exemptions. All these exemptions have a sunset date of January 1, 1988.