

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 802

7 S.P. 257

In Senate, February 16, 1983

8 Referred to the Committee on Taxation, sent down for concurrence and
9 ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

11 Presented by Senator Teague of Somerset.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT Relating to the Tree Growth Tax
18 Law.
19

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

22 36 MRSA §581, 4th ¶, as enacted by PL 1981, c.
23 663, is amended to read:

24 Notwithstanding the provisions of the preceding
25 paragraph, an owner of forest land which is classi-
26 fied under this subchapter, and which is withdrawn
27 from classification for the 1982 tax year, may elect
28 to withdraw subject to the conditions specified in
29 this paragraph. The conditions for withdrawal under
30 this paragraph are that the entire parcel subject to
31 tree growth classification in 1981 the year prior to
32 withdrawal be withdrawn from classification for the
33 1982 tax year. Persons electing to withdraw under
34 this paragraph shall so notify the assessor before

1 June 17, 1982, and shall pay a penalty equal to the
2 taxes which would have been assessed in each year
3 since the land was first classified, had that land
4 been assessed at its fair market value on the date of
5 withdrawal, less all taxes paid on that land since it
6 was first classified, and interest at the legal rate
7 from the date or dates on which those amounts would
8 have been payable. If there is a change in use of
9 the property before April 17, 1987, 5 years from the
10 date of withdrawal, an additional penalty shall be
11 assessed equal to the difference between the back
12 taxes paid under this paragraph and the amount that
13 would have been assessed if the land had been orig-
14 inally withdrawn on April 17, 1982, under the pre-
15 ceding paragraph plus interest at the legal rate from
16 April 17, 1982 the date of withdrawal. The procedure
17 for withdrawal provided in this paragraph is intended
18 to be an alternative to the procedure in the pre-
19 ceding paragraph.

20

STATEMENT OF FACT

21 This bill extends an alternative penalty provi-
22 sion of the law which was enacted for persons with-
23 drawing land from tree growth classification in 1982.
24 It permits persons to withdraw by paying the differ-
25 ence between taxes paid under tree growth and the
26 taxes that would have been paid had the land been
27 classified at fair market value on the date of with-
28 drawal. If the use of land withdrawn under this
29 provision is changed within 5 years of withdrawal,
30 the higher penalty must be paid.

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