

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1557

7 H.P. 1166

House of Representatives, May 4, 1983

8 Speaker laid before the House and on Motion of Representative Hall of
9 Sangerville, referred to the Committee on Taxation. Sent up for concurrence
and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Andrews of Portland.

11
12 STATE OF MAINE
13

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

17 AN ACT to Impose a Severance Tax on Wood.
18

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

21 Sec. 1. 12 MRSA §8604, first ¶, as enacted by PL
22 1979, c. 545, §3, is amended to read:

23 Any owner of forest land who sells stumpage
24 during a calendar year shall render an annual report
25 to the director during the month of January of the
26 following year, stating the species, volume and
27 stumpage price per unit of measure for each trans-
28 action and the municipality or township where the
29 stumpage was located. Any owner of forest land who
30 cuts stumpage for his own business use during a cal-
31 endar year shall render an annual report to the
32 director during the month of January of the following
33 year, stating the species and volume per unit of mea-
34 sure for each municipality or township where the
35 stumpage was located. Forms for this report shall be

provided by the director. Information contained in the reports shall not be made public but shall be available for the use of the State Tax Assessor pursuant to Title 36, chapter 105, subchapter II-A, and chapter 803, subchapter IV. Information contained in the reports shall not be made public but shall be available to the State Tax Assessor for use pursuant to Title 36, chapter 367, and chapter 803, subchapter IV.

Sec. 2. 36 MRSA c. 367 is enacted to read:

CHAPTER 367

TIMBER HARVEST EXCISE TAX

§2751. Purpose

It is declared that:

1. Protection of forest land in public interest. Protection of forest land from premature harvesting or forced conversion to more intensive uses as the result of economic pressures caused by assessment of forest lands for purposes of property taxation at values incompatible with their use as forest land is in the public interest and contributes to the welfare of the inhabitants of the State; and

2. Encouragement of production of forest products in public interest. Encouragement of production of forest products for use by citizens of the State and industry, without significantly diminishing the tax revenues available to municipalities is also in the public interest.

The State, having foregone immediate revenue to encourage forest management, now finds it is proper to recover that revenue at the time of ability to pay.

The purpose of the timber harvest excise tax is to recover that revenue for public purposes by levying a tax on the privilege of severing natural resources in this State.

§2752. Definitions

1 As used in this chapter, unless the context
2 otherwise indicates, the following terms have the
3 following meanings.

4 1. Cut. Timber is deemed "cut" at the time in
5 the ordinary course of business when the quantity of
6 timber harvested is first definitely determined.

7 2. Forest land. "Forest land" has the same
8 meaning as in section 573.

9 3. Forest landowner. "Forest landowner" means:

10 A. Any person liable for payment of the real
11 property tax. In cases of divided ownership of
12 land and the timber rights thereon, the owner of
13 the timber rights is the forest landowner for
14 purposes of this chapter; or

15 B. Any person who purchases stumpage, if that
16 person is related within the meaning of the
17 United States Internal Revenue Code, Section 267,
18 to the owner of the land where the timber is har-
19 vested.

20 4. Timber. "Timber" means all forest products
21 having commercial value.

22 §2753. Excise tax

23 1. Imposition. The owners of forest land shall
24 pay an excise tax levied upon the total number of
25 cords harvested in each tax year.

26 2. Rate. The rate of tax is 50¢ per cord or \$1
27 per 1,000 board feet.

28 §2754. Exemptions

29 No tax may be imposed under this chapter upon:

30 1. First 500 cords. The first 500 cords or
31 equivalent measure of timber harvested in any year by
32 any forest landowner; and

33 2. Certain landowner uses. The harvesting of
34 timber for the forest landowners personal fuel, fenc-
35 ing or construction purposes.

1 §2755. Report of processor

2 The Bureau of Forestry shall forward to the State
3 Tax Assessor, the reports submitted pursuant to Title
4 12, section 8604.

5 The State Tax Assessor may accept that report as
6 sufficient evidence of the facts or may, either with
7 or without hearing and notice thereof to the owner,
8 investigate and determine the fact of the quantity of
9 timber processed during the periods preceding the
10 reports.

11 §2756. Tax levy

12 The State Tax Assessor shall assess and levy
13 against each forest landowner an excise tax on the
14 volume of wood cut. Upon making that assessment, the
15 State Tax Assessor shall mail a duplicate of the cer-
16 tificate of assessment by registered mail to the
17 forest landowner who made the report at the forest
18 landowner's last known address. The tax thereby
19 assessed shall become due and payable to the State
20 Tax Assessor on the last day of the next calendar
21 month after the mailing of the certificate of assess-
22 ment.

23 §2757. Liability for taxes

24 1. Owner personally liable. The owner of the
25 forest land shall be personally liable for any excise
26 tax, and the tax shall be a lien on those wood prod-
27 ucts wherever situated and in whatever form or, if
28 mingled with other products, then on the common mass,
29 until paid, while in the possession of the owner or
30 of any person other than a purchaser for value with-
31 out notice in the ordinary course of business.

32 2. Penalty. If any excise tax remains unpaid
33 for 30 days after it becomes due, there shall be add-
34 ed a penalty of 10%, and the tax and penalty shall
35 thereafter draw interest at the rate of 1% per month
36 until paid.

37 At the expiration of 30 days, the State Tax
38 Assessor shall report to the Attorney General any
39 unpaid excise tax adding that penalty, and the Attor-

1 ney General shall, thereupon, proceed to collect the
2 tax with interest by suit against the owner and by
3 attachment or other legal means to enforce the lien
4 or by any or all such means.

5 \$2758. Failure to report; supply information; pay
6 tax

7 Any person required under this chapter and Title
8 12, section 8604 to file a report or to pay any tax
9 or supply any information who intentionally fails to
10 pay that tax, supply that information or make that
11 report at the time or times required by law or regu-
12 lation is, in addition to any other penalties pro-
13 vided by law, guilty of a Class D crime.

14 \$2759. False statements

15 Any person who makes and subscribes any report or
16 other document required by law or regulation under
17 this chapter which contains or is verified by written
18 declaration that it is made under the penalties of
19 perjury and which he does not believe to be true and
20 correct, as to every material matter, or who know-
21 ingly aids or procures the preparation or presenta-
22 tion in a matter arising under this chapter of a
23 report or other document which, if fraudulent or
24 false as to any material matter, is guilty of a Class
25 D crime.

26 STATEMENT OF FACT

27 This bill establishes an excise tax which must be
28 paid by owners of forest land. The tax is equal to
29 50¢ per cord or \$1 per 100 board feet. Persons cut-
30 ting less than 500 cords of wood for fuel or for
31 domestic use are exempt.

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