

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 2167

6
7 H.P. 1638

House of Representatives, March 7, 1984

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

10 EDWIN H. PERT, Clerk

11 Presented by Speaker Martin of Eagle Lake.

Cosponsors: Representative Ingraham of Houlton, Senator Twitchell of
Oxford and Representative Kane of So. Portland.

12 STATE OF MAINE
13

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

17 AN ACT to Update and Clarify Certain
18 Provisions of the Mining Excise Tax.
19

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

22 Sec. 1. 36 MRSA §581-D is enacted to read:

23 §581-D. Mineral lands subject to an excise tax

24 Any statutory or constitutional penalty imposed
25 as a result of a change of use, whether imposed be-
26 fore or after the approval of this section, shall be
27 determined without regard to the presence of miner-
28 als, provided that when payment of the penalty is
29 made or demanded, whichever occurs first, there is in
30 effect a state excise tax which applies or would ap-
31 ply to the mining of those minerals.

32 Sec. 2. 36 MRSA §603, sub-§10, as enacted by PL
33 1981, c. 711, §7, is amended to read:

1 10. Tax situs. The tax situs of tangible personal
2 property shall be at the mine site if that
3 property is:

4 A. Owned, leased or otherwise subject to
5 possessory control of a mining company; and

6 B. On route to or from, being transported to or
7 from or destined to or from a mine site.

8 Except as provided in paragraph B, the tax situs of
9 tangible personal property leased by a mining company
10 shall be in the place where the property is situated.

11 For the purposes of this subsection, the definitions
12 of section 2855 shall apply.

13 Sec. 3. 36 MRSA §1112-B is enacted to read:

14 §1112-B. Mineral lands subject to an excise tax

15 Any statutory or constitutional penalty imposed
16 as a result of a change of use, whether imposed be-
17 fore or after the approval of this section, shall be
18 determined without regard to the presence of miner-
19 als, provided that when payment of the penalty is
20 made or demanded, whichever occurs first, there is in
21 effect a state excise tax which applies or would ap-
22 ply to the mining of those minerals.

23 Sec. 4. 36 MRSA §2855, sub-§8, as enacted by PL
24 1981, c. 711, §10, is amended to read:

25 8. Mineral products. "Mineral products" means
26 all unextracted and extracted minerals and all
27 products derived from minerals therefrom by mining.

28 Sec. 5. 36 MRSA §2855, sub-§12, ¶C, as enacted
29 by PL 1981, c. 711, §10, is amended to read:

30 C. Mining property does not include:

31 (1) Tangible personal property which is
32 leased to the mining company and with re-
33 spect to which the lesser is subject to
34 property taxation by a municipality in this
35 State other than the one in which the mine

1 site is located All property which is not
2 mineral products and is not primarily used
3 or held for use in connection with mining or
4 the business of mining at a mine site, or
5 any activity necessary or incidental to or
6 in support of mining or the business of
7 mining engaged in at a mine site; or

8 (2) Those vehicles upon which state excise
9 taxes are paid for the current registration
10 period pursuant to chapter 111.

11 Sec. 6. 36 MRSA §2858, sub-§4-A, as enacted by
12 PL 1983, c. 555, §4, is repealed.

13 STATEMENT OF FACT

14 As a result of the passage of the constitutional
15 amendments relating to the Mining Excise Tax, certain
16 provisions of the Mining Excise Tax must be amended
17 or repealed. This bill provides for these changes as
18 well as clarifies certain other provisions of law.

19 Section 1 amends the Tree Growth Tax Law by en-
20 acting language implementing the change permitted by
21 passage of the constitutional amendment to allow cal-
22 culation of the tree growth withdrawal penalty to be
23 determined without regard to the presence of minerals
24 subject to the Mining Excise Tax.

25 Section 2 clarifies uncertain provisions regard-
26 ing the tax situs of equipment leased by a mining
27 company. This provision ensures that out-of-state
28 lessors of equipment and other items leased to a
29 mining company do not have a competitive advantage
30 over in-state lessors.

31 Section 3 amends the Farm and Open Space Law by
32 enacting language implementing the change permitted
33 by passage of the constitutional amendment to allow
34 calculation of the withdrawal penalty to be deter-
35 mined without regard to the presence of minerals sub-
36 ject to the Mining Excise Tax.

37 Section 4 is necessary to clarify the original
38 intent of the excise tax that the definition of min-

1 eral products includes unextracted and extracted min-
2 erals including those minerals being processed and
3 all products resulting from the processing of miner-
4 als.

5 Section 5 deletes a provision which is no longer
6 necessary as a result of the amendment of the Revised
7 Statutes, Title 36, section 306, subsection 10, as
8 set forth in section 2 of this bill. It also makes
9 explicit the original intent that the property tax
10 exemption for mining property, which includes, among
11 other things, the type of property listed in the Re-
12 vised Statutes, Title 36, section 2855, subsection 7,
13 does not apply to property which is held or used for
14 purposes unrelated to the business of mining and
15 which might be stored temporarily at a mine site.

16 Section 6 repeals language which, as a result of
17 the passage of the constitutional amendments, is no
18 longer necessary.

19

5688020284