

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1478

H.P. 1087 House of Representatives, May 8, 1987
Submitted by the Department of Conservation pursuant to
Joint Rule 24.

Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative JACKSON of Harrison.

Cosponsored by Senators EMERSON of Penobscot, DOW of
Kennebec and Representative MARTIN of Van Buren.

STATE OF MAINE

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

AN ACT to Improve the Method of Calculating
Excise Taxes in Fire Control.

Emergency preamble. Whereas, Acts of the Legis-
lature do not become effective until 90 days after
adjournment unless enacted as emergencies; and

Whereas, the present law regarding the Forestry
Excise Tax requires certification to the State Tax
Assessor by September 1, 1987, the cost of forest
fire protection activities; and

Whereas, this statutory change proposes to change
the method of calculating the cost of forest fire
protection; and

Whereas, this change will need to take effect on
September 1, 1987; and

1 Whereas, in the judgment of the Legislature,
2 these facts create an emergency within the meaning of
3 the Constitution of Maine and require the following
4 legislation as immediately necessary for the preser-
5 vation of the public peace, health and safety; now,
6 therefore,

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

9 **Sec. 1. 36 MRSA §2722**, as enacted by PL 1985, c.
10 514, §2, is amended to read:

11 §2722. Annual tax

12 An excise tax is imposed upon the privilege of
13 using one's land in commercial forestry enterprise in
14 this State. The tax shall be levied upon owners of
15 commercial forest land and shall be apportioned ac-
16 cording to the formula specified in section 2723
17 2723-A. The State, municipalities and the Federal
18 Government are not subject to this tax.

19 **Sec. 2. 36 MRSA §2723**, as enacted by PL 1985, c.
20 514, §2, is repealed.

21 **Sec. 3. 36 MRSA §2723-A** is enacted to read:

22 §2723-A. Computation of tax

23 1. Calculation of fire control net costs. Annu-
24 ally by September 1 beginning in 1987, the Commis-
25 ssioner of Conservation shall certify to the State Tax
26 Assessor the amount appropriated from the General
27 Fund by the Legislature for the current fiscal year,
28 including funds appropriated or allocated for capital
29 improvements and repairs and the amounts proposed and
30 budgeted to be spent in any federal and dedicated ac-
31 counts for forest fire protection activities in the
32 same fiscal year. The commissioner shall certify the
33 amounts of all projected revenues resulting from for-
34 est fire protection activities for the same fiscal
35 year, including federal revenues and dedicated reve-
36 nuues from the sale of buildings, vehicles and other
37 equipment; fees and other miscellaneous revenues; and
38 revenues estimated to be received from municipalities

1 and the unorganized territory pursuant to Title 12,
2 sections 9204, 9205 and 9205-A.

3 2. Preceding fiscal year net costs. The commis-
4 sioner shall certify to the State Tax Assessor actual
5 expenditures and revenues for forest fire protection
6 for the preceding fiscal year for the same categories
7 of information required in subsection 1 and provide
8 the net amount resulting from subtracting revenues
9 from expenditures.

10 3. Roll forward amount from preceding fiscal
11 year. The State Tax Assessor shall subtract the
12 amount in subsection 2 from the amount determined for
13 the preceding fiscal year under subsection 4. If
14 the resulting amount is positive, it shall be treated
15 as a revenue and deducted from current year estimated
16 expenditures. If the amount is negative, it shall be
17 treated as an expenditure and added to current year
18 estimated expenditures.

19 4. Computing current year costs. The State Tax
20 Assessor shall add all projected expenditures for the
21 current fiscal year, including general, federal and
22 dedicated funds. From this amount shall be sub-
23 tracted all revenues projected to be received in the
24 current fiscal year, as identified in accordance with
25 subsection 1. From this amount shall be added or
26 subtracted, as appropriate, the net roll forward
27 amount from the prior fiscal year as determined in
28 subsection 3.

29 5. Computing the tax. This amount shall be di-
30 vided by 2 and the quotient divided by the total num-
31 ber of adjusted acres of commercial forest land,
32 rounded to the nearest 1/10 of a cent and multiplied
33 by the number of adjusted acres of commercial forest
34 land owned by each taxpayer to determine the amount
35 of tax for which each owner of commercial forest land
36 shall be liable.

37 6. Minimum tax. If the amount calculated under
38 this chapter is less than \$5, the amount assessed
39 shall be \$5.

40 Sec. 4. Transition. For 1987 only, the amount
41 determined pursuant to the Maine Revised Statutes,

1 Title 36, section 2723-A, subsection 2, shall be sub-
2 tracted from the amount determined under the former
3 Title 36, section 2723 in September 1986.

4 Emergency clause. In view of the emergency cited
5 in the preamble, this Act shall take effect when ap-
6 proved.

7 STATEMENT OF FACT

8 The enactment of the Maine Revised Statutes, Ti-
9 tle 36, section 2723-A, of the commercial Forestry
10 Excise Tax assures more accurate calculation of the
11 cost of forest fire control for purposes of estab-
12 lishing the tax.

13 It would do this by providing for a roll forward
14 adjustment from the prior fiscal year. If the net
15 cost of fire control is actually less than originally
16 estimated for the prior fiscal year, the difference
17 will be reflected as a resource for purposes of cal-
18 culating the following year's tax. Conversely, if
19 the actual net cost is higher than originally esti-
20 mated in the prior fiscal year, the difference will
21 be reflected as an additional expense for the follow-
22 ing year.

23 This type of roll forward adjustment is used for
24 other kinds of taxes, such as the Budworm Excise Tax
25 and the Unorganized Territory Tax.

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