

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1846

H.P. 1352 House of Representatives, June 12, 1987  
Reported by Representative SWAZEY from the Committee on  
Taxation and printed under Joint Rule 2.

EDWIN H. PERT, Clerk  
Original bill sponsored by Representative CASHMAN of Old  
Town. Cosponsored by Representatives ZIRNKILTON of Mount  
Desert, INGRAHAM of Houlton and Senator CLARK of Cumberland.

STATE OF MAINE

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

AN ACT to Change the Basis of  
Telecommunication Taxation.

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3

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

6 Sec. 1. 36 MRSA §§457 and 458 are enacted to  
7 read:

8 §457. State tax on telecommunications personal prop-  
9 erty

10 1. Tax imposed. A state tax is imposed on tele-  
11 communications personal property at the rate of 21  
12 mills for the 1988 taxable year and 27 mills in each  
13 taxable year thereafter.

1           2. Determination of just value. The tax imposed  
2 by this section is imposed upon the just value of the  
3 property as determined by the State Tax Assessor.

4           3. Collection. The State Tax Assessor shall  
5 collect and deposit in the General Fund the tax on  
6 telecommunications personal property owned or leased  
7 by a telecommunications business. The tax on tele-  
8 communications personal property owned or leased by a  
9 person who is not a telecommunications business shall  
10 be collected by the local tax assessor and retained  
11 for use by the local jurisdiction.

12           4. Administration. Taxes assessed by the State  
13 Tax Assessor under this section shall be levied and  
14 collected in the same manner as provided for personal  
15 property taxes in the unorganized territory in chap-  
16 ter 107, subchapters III and V.

17           5. Definitions. As used in this chapter, unless  
18 the context otherwise indicates, the following terms  
19 have the following meanings.

20           A. "Telecommunications business" means a person  
21 engaged in the activity of providing interactive  
22 2-way communication services for compensation.

23           B. "Telecommunications personal property" means  
24 personal property used for the transmission of  
25 any interactive 2-way communications, include  
26 voice, image, data and information. Transmission  
27 of communications includes the use of any medium  
28 such as wires, cables, Community Antenna Televi-  
29 sion or other broadband cables, microwaves, radio  
30 waves, light waves or any combination of those of  
31 similar media. Telecommunications personal prop-  
32 erty includes qualifying property used to provide  
33 telegraph service. It does not include property  
34 used solely to provide value-added nonvoice ser-  
35 vices in which computer processing applications  
36 are used to act on the form, content, code and  
37 protocol of the information to be transmitted,  
38 unless those services are provided under tariff  
39 approved by the Public Utilities Commission. It  
40 does not include single or multiline standard  
41 telephone instruments. Notwithstanding section  
42 551, "telecommunications personal property" in-

1 cludes any interest of a telecommunications busi-  
2 ness in poles.

3 §458. Continuation of exemption

4 Telecommunications personal property subject to  
5 taxation under this chapter shall continue to be ex-  
6 empt from ordinary local property taxation as former-  
7 ly provided under section 2696. It is the intent of  
8 the Legislature that this section not be considered a  
9 new property tax exemption requiring state reimburse-  
10 ment under the Constitution of Maine, Article IV,  
11 Part Third, Section 23.

12 Sec. 2. 36 MRSA §1483, sub-§6, as amended by PL  
13 1965, c. 135, §1 and c. 513, §75, is repealed and the  
14 following enacted in its place:

15 6. Railroads. Vehicles owned by railroad compa-  
16 nies subject to the excise tax set forth in chapter  
17 361;

18 Sec. 3. 36 MRSA §2692-A is enacted to read:

19 §2692-A. Limitation on tax rate

20 The tax imposed by this chapter is subject to the  
21 following limitations.

22 1. Rate maximums. Notwithstanding section 2692,  
23 the rate effective for gross operating revenues  
24 earned in 1987 and 1988 may in no event exceed 3.5%.  
25 There shall be no tax on gross operating revenues  
26 earned after December 31, 1988.

27 2. Additional cap. The rate effective for gross  
28 operating revenues earned in 1987 and 1988 may not  
29 result in a total tax under this chapter and under  
30 chapter 103 which is greater than 120% of the amount  
31 of tax which would be assessed if this section and  
32 chapter 103 were not law, except that in no case may  
33 the tax rate on gross operating revenues be less than  
34 zero.

35 Sec. 4. 36 MRSA §2696, as enacted by PL 1985, c.  
36 651, §2, is repealed.

