

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 555

H.P. 412

House of Representatives, March 6, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative CASHMAN of Old Town.

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STATE OF MAINE

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

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**An Act to Encourage Industry to Maintain and Modernize Machinery  
and Equipment by Exempting from Property Taxation Machinery and  
Equipment in Service For 7 Years or Less.**

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

**Sec. 1. 36 MRSA §655, sub-§1, ¶P,** as amended by PL 1983, c. 632, Pt. A, §4, is further amended to read:

P. All items of individually owned personal property with a just value of less than \$1,000, except:

- (1) Items used for industrial or commercial purposes; and
- (2) Vehicles and camp trailers as defined in section 1481 not subject to an excise tax;

**Sec. 2. 36 MRSA §655, sub-§1, ¶S,** as enacted by PL 1983, c. 555, §1, is amended to read:

S. Mining property as provided in section 2854; and

**Sec. 3. 36 MRSA §655, sub-§1, ¶T** is enacted to read:

T. Machinery and equipment placed in service after April 1, 1989, which has been in service for 7 years or less and which is used directly and primarily in the production of tangible personal property, which property is intended to be sold or leased ultimately for final use or consumption. As used in this paragraph, the following terms have the following meanings.

- (1) "Directly" has the same meaning as defined in section 1752, subsection 2-A.
- (2) "Machinery and equipment" has the same meaning as defined in section 1752, subsection 7-B.
- (3) "Primarily" has the same meaning as defined in section 1752, subsection 9-A.
- (4) "Production" has the same meaning as defined in section 1752, subsection 9-B.

**Sec. 4. 36 MRSA §656, sub-§1, ¶J** is enacted to read:

J. Machinery and equipment placed in service after April 1, 1989, which has been in service for 7 years or less and which is used directly and primarily in the production of tangible personal property, which property is intended to be sold or leased ultimately for final use or consumption. As used in this paragraph, the following terms have the following meanings.

1           (1) "Directly" has the same meaning as defined in  
3           section 1752, subsection 2-A.

5           (2) "Machinery and equipment" has the same meaning as  
7           defined in section 1752, subsection 7-B.

9           (3) "Primarily" has the same meaning as defined in  
11          section 1752, subsection 9-A.

13          (4) "Production" has the same meaning as defined in  
15          section 1752, subsection 9-B.

### STATEMENT OF FACT

17           This bill exempts from property taxation machinery and  
19           equipment placed in service after April 1, 1989, which has been  
            in service for 7 years or less and which is used directly and  
            primarily in the production of tangible personal property.