

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

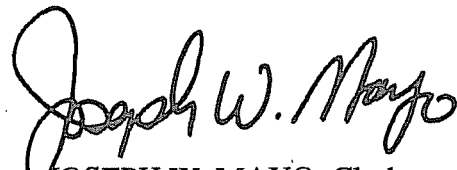
No. 1241

H.P. 917

House of Representatives, April 12, 1993

An Act to Amend the Laws Related to the Taxation of Personal Property.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative NADEAU of Saco.
Cosponsored by Representatives: CARROLL of Gray, CLARK of Millinocket, DiPIETRO of South Portland, GWADOSKY of Fairfield, HOGLUND of Portland, KERR of Old Orchard Beach, PLOURDE of Biddeford, STROUT of Corinth, SULLIVAN of Bangor, TARDY of Palmyra, Senators: CAREY of Kennebec, ESTY of Cumberland.

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

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4 Sec. 1. 36 MRSA §601 is repealed and the following enacted
in its place:

6 §601. Personal property defined

8 Personal property, for the purpose of taxation, includes all
10 tangible goods and chattels.

12 1. Personal property subject to taxation. Personal
14 property subject to taxation includes, but is not limited to,
16 personal property used in business and industry, as follows:

18 A. Furniture, furnishings, fixtures and equipment,
20 including but not limited to mechanical equipment, used by
22 hotels, motels, business and professional offices,
24 restaurants, retail stores, rooming houses and service
26 establishments;

28 B. Logging and construction equipment for which an excise
30 tax has not been paid prior to the commitment date for that
32 tax year;

34 C. Personal property that is leased or rented and not
36 otherwise exempt;

38 D. Farm machinery and equipment that is not otherwise
40 exempt; and

42 E. Medical, dental and optical equipment that is not
44 otherwise exempt.

46 Sec. 2. 36 MRSA §655, sub-§1, ¶B, as repealed and replaced by
48 PL 1973, c. 592, §13, is amended to read:

50 B. Stock in trade, including inventory held solely for
resale by a distributor, wholesaler, retail merchant or
service establishment;

52 Sec. 3. 36 MRSA §655, sub-§1, ¶E, as repealed and replaced by
54 PL 1973, c. 592, §13, is repealed and the following enacted in
its place:

56 E. Personal property used solely at the owner's residence
58 and not employed, in whole or in part, in the conduct of any
60 business;

62 Sec. 4. 36 MRSA §655, sub-§1, ¶M-1 is enacted to read:

M-1. All farm utensils:

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STATEMENT OF FACT

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8 The purpose of this bill is to clarify the laws related to
the taxation of personal property. The bill enumerates several
10 types of taxable personal property and deletes the reference to
watercraft that became constitutionally exempt in 1984. The bill
12 also clarifies what is and what is not exempt personal property
as stock in trade. In addition, this bill updates the exemption
14 for household belongings and maintains the exemption for farm
utensils. These changes should reduce the need for litigation
16 that has arisen in recent years over conflicting interpretations
of the statutory provisions in question.