

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 296

S.P. 121

In Senate, January 27, 1995

An Act to Improve the Administration of Personal Property Tax Assessing.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator HARRIMAN of Cumberland.
Cosponsored by Representative: GWADOSKY of Fairfield.

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

2 **Sec. 1. 36 MRSA §557** is amended to read:

4 **§557. Assessment; continued until notice of transfer**

6 When assessors continue to assess real estate or personal
8 property to the person to whom it was last assessed, such the
10 assessment is valid, although the ownership or occupancy has
12 changed, unless previous written notice to the assessors has been
14 given of such the change and of the name and address of the
person to whom ~~it~~ the real or personal property has been
transferred or surrendered.

16 **Sec. 2. 36 MRSA §601** is repealed and the following enacted
in its place:

18 **§601. Personal property defined; administrative manual**

20 **1. Personal property.** Personal property, for the purposes
22 of taxation, is any tangible property not permanently affixed to
the ground or otherwise taxable as real estate.

24 **2. Administrative manual.** For the purposes of establishing
26 a uniform and equitable system by which personal property is
assessed, the Bureau of Taxation shall develop, in conjunction
28 with assessing and municipal associations, a guidance manual with
respect to the discovery, identification, valuation
30 methodologies, depreciation and assessment of personal property.
The manual must be made available to all assessing units at cost
32 no later than April 1, 1996, and maintained and updated.

34 **Sec. 3. 36 MRSA §611**, as amended by PL 1987, c. 772, §13, is
further amended to read:

36 **§611. Equipment tax**

38 Machinery and other personal property brought into this
40 State, after April 1st and prior to December 31st by any person
upon whom no personal property tax with respect to that property
42 was assessed on April 1st in the State of Maine, ~~shall~~ must be
taxed as other personal property in the town in which it is used
for the first time in this State.

44 When the assessors are informed by the owner or otherwise of
46 the presence within the town of such personal property, the
assessors shall give notice in writing to the owner to furnish to
48 the assessors a true and perfect list of such the property within
15 days from the receipt of such the notice and, except as
50 otherwise provided in this section, section 706 ~~shall~~ be
~~applicable~~ applies to this section.

2 The assessors shall assess a tax upon any such property in
4 accordance with other property assessed for the same tax year,
6 except that, if the tax is paid within 2 months of assessment,
interest from the due date of taxes for the tax year involved
does not apply.

8 Except as otherwise provided in this section, the collection
10 of such taxes shall must be in accordance with this chapter.

12 **Sec. 4. 36 MRSA §612, sub-§1**, as enacted by PL 1983, c. 403,
§1, is amended to read:

14 **1. Lien.** There shall must be a lien to secure the payment
16 of all taxes legally assessed on personal property as defined in
section 601, subsection 1, provided in the inventory and
18 valuation upon which the assessment is made there shall ~~be~~ is a
description of the personal property taxed ~~which that~~ meets the
20 requirements of Title 11, section 9-402. Except as otherwise
provided in this section, the lien, when perfected, shall ~~take~~
22 takes precedence over all other claims on the personal property
and shall ~~continue~~ continues in force until the taxes are paid or
until the lien is otherwise terminated by law.

24 **Sec. 5. 36 MRSA §655, sub-§1**, as amended by PL 1991, c. 546,
26 §9, is further amended to read:

28 **1. Personal property.** Personal property includes:

30 A. Industrial inventories including raw materials, goods in
process and finished work on hand;

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

36 C. Agricultural produce and forest products, including
38 logs, pulpwood, woodchips and lumber;

40 D. Livestock, including farm animals, ~~neat~~, cattle and fowl;

42 ~~E. -- The household furniture, -- including television sets and
musical instruments of each person in any one household; and
44 his wearing apparel, -- farming utensils and mechanical tools
necessary for his business;~~

46 F. All radium used in the practice of medicine;

48 G. Property in the possession of a common carrier while in
50 interstate transportation or held en route awaiting further

2 transportation to the destination named in a through bill of lading;

4 ~~H. Vessels built, in the process of construction, or~~
undergoing repairs, which are within the State on the first
6 day of each April and are owned by persons residing out of
the State. "Vessels" as used in this paragraph shall not be
8 construed to include pleasure vessels and boats;

10 H-1. Watercraft as defined by section 1503, subsection 10;

12 ~~I. Pleasure vessels and boats in the State on the first day~~
of each April whose owners reside out of the State, and
14 which are left in this State by the owners for the purpose
of repair or storage, except those regularly kept in the
16 State during the preceding year;

18 J. Personal property in another state or country and
legally taxed there;

20 K. Vehicles exempt from excise tax in accordance with
22 section 1483;

24 L. Registered snowmobiles as defined in Title 12, section
7821, subsection 5.1;

26 M. All farm machinery used exclusively in production of hay
28 and field crops to the aggregate actual market value not
exceeding \$10,000, excluding motor vehicles. Motor vehicle
30 shall mean any self-propelled vehicle;

32 N. Water pollution control facilities and air pollution
control facilities as defined in section 656, subsection 1,
34 paragraph E.1;

36 O. All beehives;

38 P. All items of individually owned, residentially sited,
nonincome-producing personal property with a just value of
40 less than \$1,000, ~~except;~~ and

42 (1) ~~Items used for industrial or commercial purposes;~~
and

44 (2) ~~Vehicles and camp trailers as defined in section~~
46 ~~1481 not subject to an excise tax.~~

48 S. Mining property as provided in section 2854.

2 **Sec. 6. 36 MRSA §706**, as amended by PL 1981, c. 30, §§1 and
2, is repealed and the following enacted in its place:

4 **§706. Taxpayers to list property; notice; penalty; verification**

6 **1. Real or personal property.** Before making an assessment,
8 the assessor or assessors, the chief assessor of a primary
10 assessing area or the State Tax Assessor in the case of the
12 unorganized territory may give reasonable notice in writing to
14 persons liable to taxation in the municipality, primary assessing
16 area or the unorganized territory to furnish to the assessor or
18 assessors, chief assessor or State Tax Assessor true and perfect
20 lists of all their real and personal property, not by law exempt
22 from taxation, of which they were possessed on the first day of
24 April of the same year.

18 The notice to owners may be by mail directed to the last known
20 address of the taxpayer or by any other method that provides
22 reasonable notice to the taxpayer. Notwithstanding section 111,
24 subsection 2, persons liable to taxation are deemed to have
26 received notice under this subsection if that notice is sent by
28 regular United States mail to the last known address of the
30 taxpayer.

24 If notice is given by mail and the taxpayer does not furnish the
26 list, the taxpayer is barred of any right to make application to
28 the assessor or assessors, chief assessor or State Tax Assessor
30 or any appeal from the application for any abatement of taxes,
32 unless the taxpayer furnishes the list with the application and
34 satisfies them that the taxpayer was unable to furnish it at the
36 time appointed.

32 The assessor or assessors, chief assessor or State Tax Assessor
34 may require the person furnishing the list to make oath to its
36 truth, which any of them may administer, and may require the
38 taxpayer to answer in writing all proper inquiries as to the
40 nature, situation and value of the property liable to be taxed in
42 the State; and a refusal or neglect to answer and subscribe such
44 inquiries bars an appeal, but the list and answers are not
46 conclusive upon the assessor or assessors, chief assessor or the
48 State Tax Assessor.

42 If the assessor or assessors, chief assessor or the State Tax
44 Assessor fails to give notice by mail or by hand, the taxpayer is
46 not barred of any right to make application for abatement except
48 that upon demand the taxpayer shall answer in writing all proper
50 inquiries as to the nature, situation and value of the property
liable to be taxed in the State; and a refusal or neglect to
answer and subscribe the inquiries bars an appeal, but the list
and answers are not conclusive upon the assessor or assessors,
chief assessor or the State Tax Assessor.

2 **2. Personal property; additional requirements.** In addition
4 to any requirements of subsection 1, by April 1st of every year,
6 every owner or person in possession of nonexempt personal
8 property is required to file a personal property tax return on a
10 form prescribed by the assessor or assessors, the chief assessor
12 of a primary assessing area or the State Tax Assessor. The forms
14 are to be made available to all taxpayers at the assessor's
16 office of each assessing unit no later than January 1st of each
 year. The return form as required by this section does not
 constitute a return unless it is signed as a true and perfect
 list under oath by a person authorized to file the return. Upon
 written request submitted by the taxpayer no later than April 1st
 and upon a finding of good cause shown, the assessing authority
 may extend the filing deadline.

18 **3. Failure to file return.** Failure to file a return in a
20 timely manner may result in an imposition of a penalty equal to
22 10% of the value ultimately assessed on the property subject to
 taxation by this subchapter; the penalty becomes part of the
 taxes and subject to collection in the same manner as the
 original assessment.

24 **4. Confidentiality of filings.** Notwithstanding section
26 191, subsection 2, paragraph I, any separate record furnished by
28 the property owner under this section that includes only income
30 and expense information and is clearly marked by the property
 owner as confidential pursuant to this subsection is a
 confidential record until such a time as an appeal is initiated
 under section 843 or 844.

32 **5. Willful misrepresentation of material facts.** A person
34 who willfully misrepresents the facts on a return, statement or
36 other document submitted to the assessing authority commits a
 Class E crime.

38 **Sec. 7. 36 MRSA §713, last ¶** is amended to read:

40 Persons subjected to a tax under this section shall-be are
42 deemed to have received sufficient notice if the notice required
 by section 706, subsection 1 was given.

44 **Sec. 8. 36 MRSA §1331, 3rd ¶**, as repealed and replaced by PL
 1977, c. 509, §31, is amended to read:

46 Persons subjected to a tax under this section shall-be are
48 deemed to have received sufficient notice if the notice required
 by section 706, subsection 1 was given.

