

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 149

H.P. 125

House of Representatives, January 14, 1997

**An Act to Amend the Laws Regarding Property Tax Reimbursement for
Certain Business Property.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative LEMAIRE of Lewiston.
Cosponsored by Senator LaFOUNTAIN of York and
Representatives: CHARTRAND of Rockland, DRISCOLL of Calais, HATCH of Skowhegan,
SAMSON of Jay, VOLENIK of Brooklin, Senators: RAND of Cumberland, TREAT of
Kennebec.

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

Sec. 1. 36 MRSA §6651, sub-§3, as enacted by PL 1995, c. 368, Pt. FFF, §2, is amended to read:

3. Qualified business property. "Qualified business property" means tangible personal property that:

A. Is used or held for use exclusively for a business purpose by the person in possession of it or, in the case of construction in progress or inventory parts, is intended to be used exclusively for a business purpose by the person who will possess that property; and

B. Either:

(1) Was subject to an allowance for depreciation under the Code on April 1st of the property tax year to which the claim for reimbursement relates or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated; or

(2) In the case of construction in progress or inventory parts, would be subject under the Code to an allowance for depreciation when placed in service or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated.

"Qualified business property" also includes all property that is affixed or attached to a building or other real estate if it is used to further a particular trade or business activity taking place in that building or on that real estate. "Qualified business property" does not include components or attachments to a building if used primarily to serve the building as a building, regardless of the particular trade or activity taking place in or on the building. "Qualified business property" also does not include land improvements if used primarily to further the use of the land as land, regardless of the particular trade or business activities taking place in or on the land. In the case of construction in progress or inventory parts, the term "used" means intended to be used. "Qualified business property" also does not include any tangible personal property or inventory parts first placed in service outside this State, unless the tangible personal property is brought into the State by its owner as part of a relocation to this State of a business entity that hires qualified employees as defined in section 6753, subsection 12.

2 **Sec. 2. Application.** This Act applies to any property tax
year beginning on or after April 1, 1997.

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SUMMARY

8 This bill eliminates the eligibility of used tangible
personal property and inventory parts from the property tax
10 reimbursement program for certain business property.