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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 780

H.P. 589

House of Representatives, February 4, 1997

An Act to Ensure That Only Taxes That Are Paid and Not Otherwise Reimbursed Are Eligible for Reimbursement under the State's Business Property Tax Reimbursement Program.

Reference to the Committee on Taxation suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative SAMSON of Jay. Cosponsored by Senator MICHAUD of Penobscot and Representatives: BERRY of Livermore, GREEN of Monmouth, HATCH of Skowhegan, KONTOS of Windham, LEMAIRE of Lewiston, PENDLETON of Scarborough, RINES of Wiscasset, Senator: RAND of Cumberland.

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

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Sec. 1. 36 MRSA §6652, sub-§2, as enacted by PL 1995, c. 368, Pt. FFF, §2, is amended to read:

2. Limitation. Reimbursement may not be made by the State 6 Tax Assessor pursuant to this chapter with respect to the payment of taxes assessed against property that is entitled to exemption 8 pursuant to section 656, subsection 1, paragraph E or any other 10 provision of law except that reimbursement must be made with respect to the payment of taxes assessed against property that has not been certified for exemption pursuant to section 656, 12 subsection 1, paragraph E but that is entitled to exemption pursuant to that provision if that property has been placed in 14 service after the December 1st immediately preceding April 1st of the tax year for which reimbursement is sought but prior to April 16 1st of the property tax year for which reimbursement is sought. Reimbursement may not be made by the State Tax Assessor pursuant 18 to this chapter with respect to the payment of taxes assessed 20 against property, to the extent that the taxpayer is entitled to reimbursement of, or payment of an amount equal to, all or any 22 portion of the taxes paid with respect to that property, pursuant to any program or agreement adopted by or entered into between a taxpayer and a municipality or between a taxpayer and the State 24 under Title 30-A, chapters 207 and 207-A. The claimant may seek reconsideration, pursuant to section 151, of the State 26 Tax Assessor's denial of reimbursement under this subsection. If the 28 State Tax Assessor denies a reimbursement claim on the ground that the property in question is entitled to exemption under section 656, subsection 1, paragraph E and the claimant seeks 30 reconsideration of the denial, the State Tax Assessor shall, at the claimant's request, allow the claimant up to one year to 32 obtain a statement from the Commissioner of Environmental Protection that the property at issue is not exempt. 34 If the claimant timely produces such a statement or otherwise demonstrates that the property is not exempt, the State Tax 36 Assessor shall allow the reimbursement. 38

SUMMARY

This **bi**11 ensures that the taxpayer only receives reimbursement for eligible property once. Under the current law, 44 a taxpayer who has eligible business property in a municipal or 46 state tax increment financing district receives reimbursement from the municipality or the State for any taxes paid, and the 48 State, under the business reimbursement program, also pays to the

taxpayer an amount equal to the amount reimbursed by the
municipality. Thus, a taxpayer may pay no taxes and also receive
from the State an amount equivalent to taxes that the taxpayer
might have had to pay.

6 The purpose of this bill is to make more money in this program available for more businesses so that businesses that are 8 not in a tax increment financing district have a chance to receive reimbursement.

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