

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1605

S.P. 543

In Senate, March 2, 1999

**An Act to Redefine Property Subject to the Business Equipment Tax  
Reimbursement Program to Include Manufacturing Real Estate and to  
Exclude Property That is not Used for Manufacturing or Research.**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MILLS of Somerset.

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

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

6       **3. Qualified business property first placed in service on**  
8       **or before April 1, 2000. "Qualified For property first placed in**  
10       **service on or before April 1, 2000, "qualified business property"**  
means tangible personal property that:

12       A. Is used or held for use exclusively for a business  
14       purpose by the person in possession of it or, in the case of  
16       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

18       B. Either:

20               (1) Was subject to an allowance for depreciation under  
22               the Code on April 1st of the property tax year to which  
24               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

26               (2) In the case of construction in progress or  
28               inventory parts, would be subject under the Code to an  
30               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.

32       "Qualified business property" also includes all property that is  
34       affixed or attached to a building or other real estate if it is  
36       used to further a particular trade or business activity taking  
38       place in that building or on that real estate. "Qualified  
40       business property" does not include components or attachments to  
42       a building if used primarily to serve the building as a building,  
44       regardless of the particular trade or activity taking place in or  
means intended to be used.

46       **Sec. 2. 36 MRSA §6651, sub-§4** is enacted to read:

48       **4. Qualified business property first placed in service**  
50       **after April 1, 2000. For property first placed in service after**  
**April 1, 2000, "qualified business property" means:**

2           A. Real estate that is part of a manufacturing facility as  
3           defined in section 1752, subsection 6-A; or

4  
5           B. Tangible personal property that meets the qualifications  
6           of subsection 3, paragraphs A and B that:

7                   (1) Is part of a manufacturing facility as defined in  
8                   section 1752, subsection 6-A; or

9  
10                   (2) Is machinery and equipment for research as  
11                   described in section 1760, subsection 32.

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**SUMMARY**

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16           This bill amends the law relating to reimbursement for taxes  
17           paid on certain business property to include reimbursement for  
18           real estate that is part of a manufacturing facility and to  
19           restrict reimbursement for tangible personal property to property  
20           that is part of a manufacturing facility or is machinery and  
21           equipment for research. The bill applies to property first  
22           placed in service after April 1, 2000.