

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1606

S.P. 544

In Senate, March 2, 1999

**An Act to Make Manufacturing Real Estate Eligible for Business
Equipment Property Tax Reimbursement.**

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 **Sec. 1. 36 MRSA §6651, sub-§2-A** is enacted to read:

4 **2-A. Manufacturing facility.** "Manufacturing facility" has
6 the same meaning as under section 1752, subsection 6-A.

8 **Sec. 2. 36 MRSA §6651, sub-§3**, as enacted by PL 1995, c. 368,
10 Pt. FFF, §2, is repealed and the following enacted in its place:

12 **3. Qualified business property.** "Qualified business
14 property" means:

16 **A. Tangible personal property that:**

18 (1) Is used or held for use exclusively for a business
20 purpose by the person in possession of it or, in the
22 case of construction in progress or inventory parts, is
24 intended to be used exclusively for a business purpose
26 by the person who will possess that property; and

28 (2) Either:

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

44 (b) In the case of construction in progress or
46 inventory parts, would be subject under the Code
48 to an allowance for depreciation when placed in
50 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. Except as provided in subparagraph (2),
"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. Except as
provided in subparagraph (2), "qualified business property"
also does not include land improvements if used primarily to
further the use of the land as land, regardless of the

2 particular trade or business activities taking place in or
3 on the land. In the case of construction in progress or
4 inventory parts, the term "used" means intended to be used;
5 or

6 B. Real property first acquired as or first used as a
7 manufacturing facility on or after April 1, 2000.

10 **SUMMARY**

12 This bill adds real estate used for a manufacturing facility
13 to the business property tax reimbursement program. It applies
14 to real property first acquired or first used as a manufacturing
facility on or after April 1, 2000.