

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1882

S.P. 660

In Senate, March 16, 1999

**An Act to Include in the Business Equipment Tax Reimbursement Program those Energy Facilities that Burn Production Residuals from Maine's Primary and Secondary Wood Products Industries.**

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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.  
Cosponsored by Representative WHEELER of Bridgewater and  
Senator NUTTING of Androscoggin, Representative: BAGLEY of Machias.

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

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

6 **2-A. Production residuals.** "Production residuals" includes  
8 sawdust, bark, wood chips, shavings and wood waste. "Production  
10 residuals" does not include biomass materials.

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

16 **3. Qualified business property.** "Qualified business  
18 property" means tangible personal property that:

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

30 B. Either:

32 (1) Was subject to an allowance for depreciation under  
34 the Code on April 1st of the property tax year to which  
36 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.

2 Notwithstanding any other provision of this subsection,  
4 "qualified business property" also includes real property or an  
6 energy production facility that produces energy and from which at  
8 least 80% of the energy output is generated from production  
10 residuals that are a by-product of a primary or secondary wood  
12 product industry in the State.

## 10 SUMMARY

12 For purposes of the business equipment tax reimbursement  
14 program, this bill adds to the definition of "qualified business  
16 property" real property or an energy production facility that  
18 produces energy and from which at least 80% of the energy output  
is generated by wood waste, including bark, shavings, wood chips  
and sawdust from a primary or secondary wood product industry in  
the State.