

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 174

H.P. 163

House of Representatives, January 16, 2001

An Act to Amend the Determination of Penalty for the Tree Growth Tax Law.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative GOOLEY of Farmington.
Cosponsored by Senator MILLS of Somerset and
Representatives: BUNKER of Kossuth Township, FOSTER of Gray, HONEY of Boothbay,
JODREY of Bethel, McGLOCKLIN of Embden, NASS of Acton, Senators: DAVIS of
Piscataquis, NUTTING of Androscoggin.

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

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Sec. 1. 36 MRSA §581, 3rd ¶, as amended by PL 1983, c. 400, §§1 and 3, is further amended to read:

In either case, and except when the change is occasioned by a transfer to the State or other entity holding the power of eminent domain, resulting from the exercise or threatened exercise of that power, withdrawal shall impose a penalty upon the owner which shall be the greater of (a) an amount equal to the taxes which would have been assessed on the first day of April for the 5 tax years, or any lesser number of tax years starting with the year in which the property was first classified, preceding such withdrawal had such real estate been assessed in each of those years at its fair market value on the date of withdrawal less all taxes paid on that real estate over the preceding 5 years, and interest at the legal rate from the date or dates on which those amounts would have been payable or (b) an amount computed by multiplying the amount, if any, by which the fair market value of the real estate on the date of withdrawal exceeds the 100% valuation of the real estate pursuant to this subchapter on the preceding April 1st, by the following rates: (i) If the real estate was subject to valuation under this subchapter for 10 years or less prior to the date of withdrawal, the rate shall be ~~30%~~ 20%; and (ii) if the real estate was subject to valuation under this subchapter for more than 10 years prior to the date of withdrawal, the rate shall be that percentage obtained by subtracting 1% from ~~30%~~ 20% for each full year beyond 10 years that the real estate was subject to valuation under this subchapter prior to the date of withdrawal until a rate of ~~20%~~ 10% is reached. Fair market value at the time of withdrawal is the assessed value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.

Sec. 2. 36 MRSA §581, 4th ¶, as enacted by PL 1981, c. 663, is repealed.

SUMMARY

This bill reduces the penalty for withdrawal from tree growth tax classification from 30% to 20% for land classified for less than 10 years. The penalty then declines 1% per year to 10% for land classified for 20 or more years. The bill also repeals obsolete language.