

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1329

H.P. 992

House of Representatives, March 5, 2001

An Act to Establish Standards of Depreciation in Determining the Assessed Value of Personal Property in the Business Equipment Reimbursement Program.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative ROSEN of Bucksport.

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

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3 **Sec. 1. 36 MRSA §6652, sub-§1**, as amended by PL 1997, c. 729,
4 Pt. B, §1, is further amended to read:

6 **1. Generally.** A person against whom taxes have been
7 assessed pursuant to Part 2, except for chapters 111 and 112,
8 with respect to eligible property and who has paid those taxes is
9 entitled to reimbursement ~~of--these--taxes~~ from the State as
10 provided in this chapter. The amount of reimbursement is the
11 lower of the taxes paid on the eligible equipment or the taxes
12 that would have been paid had the property tax assessment been
13 based on the adjusted basis of the eligible property for federal
14 income tax purposes as of April 1st of the property tax year for
15 which reimbursement is claimed. For purposes of this subsection,
16 "adjusted basis" means the net book value of the property after
17 depreciation.

18 **Sec. 2. 36 MRSA §6654**, as enacted by PL 1995, c. 368, Pt.
19 FFF, §2, is amended to read:

22 **§6654. Claim for reimbursement**

24 A person entitled to reimbursement pursuant to section 6652
25 may file a claim for reimbursement with the State Tax Assessor.
26 The reimbursement claim must be filed with the State Tax Assessor
27 on or before 60 days after the tax is paid. The State Tax
28 Assessor may extend the date on which the claim for reimbursement
29 is due for good cause. Except as otherwise provided, the claim
30 must be accompanied by the statement obtained by the claimant
31 pursuant to section 6653 and any information required by the
32 State Tax Assessor to verify the adjusted basis of the property
33 for federal income tax purposes. If the claimant requests
34 reimbursement of an amount of tax that differs from the amount of
35 tax specified for the eligible property in the statement provided
36 by the assessor or assessors of the taxing jurisdiction, the
37 claimant must attach to the claim form an explanation of the
38 reasons for that difference and the State Tax Assessor shall
39 determine the correct amount of reimbursement to which the
40 claimant is entitled, taking into consideration both the
41 statement from the assessor or assessors and the taxpayer's
42 explanation. If, for any reason, the claimant is unable to
43 obtain the statement specified in section 6653 from the assessor
44 or assessors within the time specified in section 6653, the
45 claimant must attach to the claim form an explanation of the
46 amount of reimbursement requested and the State Tax Assessor
47 shall process the claim without that statement. If the property
48 taxes are billed in more than one installment, a claimant may
49 submit multiple claims for reimbursement corresponding to the
50 amount of property tax paid with each installment.

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SUMMARY

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6 This bill provides that reimbursement for personal property
8 taxes under the business equipment tax reimbursement program is
10 limited to the lower of taxes paid on the eligible property or
 the taxes that would have been paid if the property tax
 assessment was based on the adjusted basis of the eligible
 property for federal income tax purposes.