

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1552

H.P. 1149

House of Representatives, March 8, 2001

Resolve, to Reduce the Property Tax on Business Equipment.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative GLYNN of South Portland.

Sec. 1. Bureau of Revenue Services rulemaking for business equipment taxation. Resolved:

That the Department of Administrative and Financial Services, Bureau of Revenue Services, by rule, shall establish a table and rate of assessment for property used in a business that must be applied uniformly throughout the State. In adopting the rules, the bureau shall ensure that:

1. The table includes the different categories of business equipment and establishes a set value for each category of business equipment based upon industry averages for that category of business equipment;

2. Regardless of the actual cost of the business equipment to an individual business, the rate of assessment is based upon the value established in the table; and

3. The rate of assessment declines at a scheduled rate based upon the useful life of the business equipment until the property is taxed at the minimum salvage value of the property, as established by the bureau.

For purposes of this section, "business equipment" has the same meaning as "qualified business property" as that term is defined in the Maine Revised Statutes, Title 36, section 6651, subsection 3.

Rules adopted pursuant to this section are major substantive rules as defined in Title 5, chapter 375, subchapter II-A; and be it further

Sec. 2. Implementing legislation. Resolved: That, by January 15, 2002, the Department of Administrative and Financial Services, Bureau of Revenue Services shall submit rules adopted pursuant to this resolve and legislation implementing the object of this resolve and conforming the Maine Revised Statutes, Title 36 to this resolve to the Joint Standing Committee on Taxation.

SUMMARY

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services to adopt rules for the uniform assessment of taxes on equipment used in business. The bureau is required to develop different categories of business equipment, place a value on that equipment based upon the average cost of that equipment for the industry involved, regardless of the price actually paid by the individual business, and establish a scale that provides a reduction in the value of

2 the equipment based upon the useful life of the equipment until
the equipment is assessed at the minimum salvage value.