

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 781

H.P. 580

House of Representatives, February 18, 2003

**An Act To Repeal the Reimbursement of Personal Property Tax on
Business Machines and Equipment**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GOODWIN of Pembroke.

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

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4 **Sec. 1. 5 MRSA §13070-J, sub-§1, ¶D,** as corrected by RR 2001, c. 2, Pt. A, §11, is amended to read:

6 D. "Economic development incentive" means:

8 (1) Assistance from Maine Quality Centers under Title 20-A, chapter 431-A;

10 (2) The Governor's Training Initiative Program under Title 26, chapter 25, subchapter 4;

12 (3) Municipal tax increment financing under Title 30-A, chapter 206;

14 (4) The jobs and investment tax credit under Title 36, section 5215;

16 (5) The research expense tax credit under Title 36, section 5219-K;

18 (6) ~~Reimbursement for taxes paid on certain business property under Title 36, chapter 915;~~

20 (7) Employment tax increment financing under Title 36, chapter 917;

22 (8) The shipbuilding facility credit under Title 36, chapter 919; or

24 (9) The credit for seed capital investment under Title 36, section 5216-B.

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28 **Sec. 2. 36 MRSA §5219-E, sub-§1, ¶B,** as amended by PL 1997, c. 24, Pt. C, §11, is further amended to read:

30 B. "Investment credit base" means the total original basis, without adjustment, for federal income tax purposes, of the taxpayer of all machinery and equipment placed in service for the first time in this State by the taxpayer or other person during any of the prior 5 taxable years, except in taxable years ending in 1995, the prior 6 taxable years, excluding the basis of machinery and equipment placed in service in this State prior to January 1, 1989 and after April 1, 1996. In the case of a combined report, the term investment credit base means the sum of the investment credit bases for all corporations included in the report.

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50 ~~If the taxpayer is reimbursed pursuant to chapter 915 for~~

2 ~~100% of the property taxes assessed during the taxable year~~
3 ~~against all of the machinery and equipment that constitutes~~
4 ~~eligible property as defined in section 6651, subsection 1,~~
5 ~~that machinery and equipment may not be included in the~~
6 ~~investment credit base for that taxable year. The term~~
7 ~~"taxable year" means the taxable year for income tax~~
8 ~~purposes of the taxpayer.~~

10 **Sec. 3. 36 MRSA c. 915.** as amended, is repealed.

12 **SUMMARY**

14 This bill repeals the Business Equipment Tax Reimbursement
15 program, which provides reimbursement for personal property taxes
16 paid on certain business property.