

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 752

S.P. 250

In Senate, February 10, 2005

An Act Regarding Equipment Used in Food Preparation under the BETR Program

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator GAGNON of Kennebec.
Cosponsored by Representative CLOUGH of Scarborough and
Senators: COWGER of Kennebec, PERRY of Penobscot, WESTON of Waldo,
Representatives: BOWLES of Sanford, McCORMICK of West Gardiner.

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

Sec. 1. 36 MRSA §6651, sub-§3, as amended by PL 2001, c. 396, §44, is further amended to read:

3. Qualified business property. "Qualified business property" means tangible personal property that:

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

B. Either:

(1) Was subject to an allowance for depreciation under the Code on April 1st of the property tax year to which 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" also means equipment used in the preparation of food that is taxed at 7% pursuant to section 1811. "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. "Qualified business property" also does not include any vehicle registered for on-road use on which a tax assessed pursuant to chapter 111 has been paid or any watercraft registered for use on state waters on which a tax assessed pursuant to chapter 112 has been paid.

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SUMMARY

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This bill includes in the definition of "qualified business property" under the BETR program equipment used in the preparation of food taxed at 7%.

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