

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 827

H.P. 586

House of Representatives, February 16, 2005

**An Act To Preserve Farmland and Timberland following the Death
of an Owner**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FLETCHER of Winslow.
Cosponsored by Representative FLOOD of Winthrop, Senator ANDREWS of York and
Representatives: PIOTTI of Unity, RECTOR of Thomaston, SHERMAN of Hodgdon,
THOMPSON of China, Senator: NUTTING of Androscoggin.

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

Sec. 1. 36 MRSA §4080 is enacted to read:

§4080. Exemptions

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Eligible farmland" means a tract of land located in the State, including woodland and wasteland, of at least 5 contiguous acres on which a farming or agricultural activity has contributed to a gross annual farming income of at least \$2,000 per year in either 1 of the 2 calendar years or 3 of the 5 calendar years preceding the death of the owner. The farming or agricultural activity and the income derived from that activity may be earned by either the owner or lessee of the farmland. For the purposes of this paragraph, "gross annual farming income" includes the value of commodities produced for consumption by the farm household.

B. "Eligible timberland" means a tract of land of at least 10 acres used primarily for the growth of trees to be harvested for commercial use. Otherwise eligible timberland may not be excluded from the provision of this section due to:

(1) Public recreational use of the land;

(2) A statutory or governmental restriction that prevents commercial harvesting of trees or requires a primary use of the land other than commercial harvesting;

(3) A deed restriction, restrictive covenant or organizational charter that prevents commercial harvesting of trees or requires a primary use of the land other than commercial harvesting and was effective prior to January 1, 1982; or

(4) Past or present mineral exploration on the land.

2. Exemption. The tax otherwise imposed by this chapter is reduced by the amount of the tax attributable to eligible farmland and eligible timberland included in the taxable estate, including eligible timberland and eligible farmland held by an entity to the extent that the value of the entity is included in the taxable estate. If the value of a decedent's estate minus the value of eligible farmland and eligible timberland is below the amount that would incur federal estate tax, then no tax is owed under this chapter.

