

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 2053

H.P. 1447

House of Representatives, March 7, 2006

An Act To Simplify and Relieve Personal Property Taxes for Small Businesses

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WEBSTER of Freeport.
Cosponsored by Representatives: PINGREE of North Haven, SMITH of Monmouth,
WOODBURY of Yarmouth.

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

2 **Sec. 1. 36 MRSA §655, sub-§1, ¶P,** as amended by PL 1997, c. 24, Pt. U, §1, is
3 further amended to read:

4 P. All items of individually owned personal property with a just value of less than
5 \$1,000, except:

6 (1) Items used for industrial or commercial purposes; and

7 (2) Vehicles and camp trailers as defined in section 1481 not subject to an excise
8 tax; ~~and~~

9 **Sec. 2. 36 MRSA §655, sub-§1, ¶S,** as enacted by PL 1983, c. 555, §1, is
10 amended to read:

11 S. Mining property as provided in section 2854;

12 **Sec. 3. 36 MRSA §655, sub-§1, ¶T** is enacted to read:

13 T. Property that would be eligible for reimbursement under chapter 915 that belongs
14 to a person not claiming an exemption under paragraph U, who owns no more than
15 \$100,000 of just value of such property; and

16 **Sec. 4. 36 MRSA §655, sub-§1, ¶U** is enacted to read:

17 U. Personal property used for business purposes that belongs to a person not
18 claiming an exemption under paragraph T, who owns no more than \$20,000 of just
19 value of such property.

20 **Sec. 5. 36 MRSA §655, sub-§2** is enacted to read:

21 **2. Reimbursement for certain exemptions.** The State shall reimburse
22 municipalities and the unorganized territory for 100% of property tax revenue losses
23 under subsection 1, paragraphs T and U in the same manner and according to the same
24 schedule as provided under section 661.

25 **SUMMARY**

26 This bill proposes property tax exemptions for certain personal property owned by
27 small businesses. A person with up to \$20,000 of business personal property is entitled to
28 an exemption for that property. A person with up to \$100,000 of personal property that
29 would be eligible for the BETR program is entitled to a property tax exemption for that
30 property. The bill requires the State to reimburse municipalities and the unorganized
31 territory for 100% of the property tax revenue loss resulting from the exemptions.