

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1610

H.P. 1132

House of Representatives, March 21, 2007

An Act To Preserve Manufacturing in Maine

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SIMPSON of Auburn.
Cosponsored by Representative: SMITH of Monmouth.

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

2 **Sec. 1. 36 MRSA §691, sub-§1, ¶A,** as enacted by PL 2005, c. 623, §1, is
3 amended to read:

4 A. "Eligible business equipment" means qualified property that, in the absence of
5 this subchapter, would first be subject to assessment under this Part on or after April
6 1, 2008 and qualified property used in manufacturing that was first subject to
7 assessment under this Part on or before April 1, 1995. "Eligible business equipment"
8 includes, without limitation, repair parts, replacement parts, replacement equipment,
9 additions, accessions and accessories to other qualified business property that first
10 became subject to assessment under this Part before April 1, 2008 if the part,
11 addition, equipment, accession or accessory would, in the absence of this subchapter,
12 first be subject to assessment under this Part on or after April 1, 2008. "Eligible
13 business equipment" also includes inventory parts.

14 "Eligible business equipment" does not include:

15 (1) Office furniture, including, without limitation, tables, chairs, desks,
16 bookcases, filing cabinets and modular office partitions;

17 (2) Lamps and lighting fixtures used primarily for the purpose of providing
18 general purpose office or worker lighting;

19 (3) Property owned or used by an excluded person;

20 (4) Telecommunications personal property subject to the tax imposed by section
21 457;

22 (5) Gambling machines or devices, including any device, machine,
23 paraphernalia or equipment that is used or usable in the playing phases of any
24 gambling activity as that term is defined in Title 8, section 1001, subsection 15,
25 whether that activity consists of gambling between persons or gambling by a
26 person involving the playing of a machine. "Gambling machines or devices"
27 includes, without limitation:

28 (a) Associated equipment as defined in Title 8, section 1001, subsection 2;

29 (b) Computer equipment used directly and primarily in the operation of a
30 slot machine as defined in Title 8, section 1001, subsection 39;

31 (c) An electronic video machine as defined in Title 17, section 330,
32 subsection 1-A;

33 (d) Equipment used in the playing phases of lottery schemes; and

34 (e) Repair and replacement parts of a gambling machine or device; or

35 (6) Property located at a retail sales facility and used primarily in a retail sales
36 activity unless the property is owned by a business that operates a retail sales
37 facility in the State exceeding 100,000 square feet of interior customer selling
38 space that is used primarily for retail sales and whose Maine-based operations
39 derive less than 30% of their total annual revenue on a calendar year basis from

1 sales that are made at a retail sales facility located in the State. For purposes of
2 this subparagraph, the following terms have the following meanings:

- 3 (a) "Primarily" means more than 50% of the time;
- 4 (b) "Retail sales activity" means an activity associated with the selection
5 and purchase of goods or services or the rental of tangible personal property.
6 "Retail sales activity" does not include production as defined in section 1752,
7 subsection 9-B; and
- 8 (c) "Retail sales facility" means a structure used to serve customers who are
9 physically present at the facility for the purpose of selecting and purchasing
10 goods or services at retail or for renting tangible personal property. "Retail
11 sales facility" does not include a separate structure that is used as a
12 warehouse or call center facility.

13 **Sec. 2. Application.** This Act applies to property tax years beginning on or after
14 April 1, 2008.

15 **SUMMARY**

16 This bill extends the property tax exemption for eligible business equipment to
17 qualified property used in manufacturing that was first subject to property tax in Maine
18 before the start of the Business Equipment Tax Reimbursement program.