



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 490

H.P. 383

House of Representatives, February 10, 2011

An Act To Exempt the Value of Family Farms from the Estate Tax

Reference to the Committee on Taxation suggested and ordered printed.

Heath & Print

HEATHER J.R. PRIEST Clerk

Presented by Representative TIMBERLAKE of Turner. Cosponsored by Senator THIBODEAU of Waldo and Representatives: BLACK of Wilton, CRAFTS of Lisbon, CRAY of Palmyra, DAVIS of Sangerville, FREDETTE of Newport, GIFFORD of Lincoln, LIBBY of Waterboro, O'BRIEN of Lincolnville.

- 1 Be it enacted by the People of the State of Maine as follows:
- 2 Sec. 1. 36 MRSA §4080 is enacted to read:

3 **§4080.** Exemptions

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1. Definitions. As used in this section, unless the context otherwise indicates,
"eligible farmland" means a tract of land located in the State, including woodland and
wasteland, that was classified as farmland under the farm and open space tax law, chapter
105, subchapter 10, for 5 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.

2. Exemption. The tax otherwise imposed by this chapter is reduced by the amount
of the tax attributable to eligible farmland included in the taxable estate, including
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
is below the amount that would incur federal estate tax, no tax is owed under this chapter.

3. Application. This section applies to an estate of a decedent who dies on or after
January 1, 2011.

SUMMARY

18 This bill removes the value of eligible farmland from the calculation of the Maine 19 estate tax.