

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE

ONE HUNDRED AND TWELFTH LEGISLATURE

**FIRST REGULAR SESSION**

December 5, 1984 to June 20, 1985  
Chapters 384-End

AND AT THE

**FIRST SPECIAL SESSION**

November 13, 1985

PUBLISHED BY THE DIRECTOR OF REVISOR OF STATUTES IN  
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 163-A, SUBSECTION 4.

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1985

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
FIRST SPECIAL SESSION

of the  
ONE HUNDRED AND TWELFTH LEGISLATURE

1985

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in the preamble, this Act shall take effect when approved.

Effective November 15, 1985.

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## CHAPTER 514

H.P. 1163 - L.D. 1661

AN ACT Establishing a Commercial Forestry  
Excise Tax and Providing an  
Appropriation for Refunding Maine  
Forest Fire Suppression Taxes Paid.

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

Sec. 1. 36 MRSA c. 366, as amended, is repealed.

Sec. 2. 36 MRSA c. 367 is enacted to read:

CHAPTER 367

COMMERCIAL FORESTRY EXCISE TAX

§2721. Legislative findings

The Legislature finds that engaging in commercial forestry is a privilege that results in costs as well as benefits to the State and that persons enjoying that privilege should be subject to the tax imposed by this chapter.

The Legislature further finds that the persons owning 500 acres or more of forest land are typically engaged in commercial forest activity. Historically, that amount of land has been used for administrative efficiency and to delineate the amount of land indicative of management for commercial activity, especially for purposes of the Maine Tree Growth Tax Law and the spruce budworm tax. The activity of growing commercially valuable trees is one which occupies a very long cycle. It is not uncommon that 40 years must pass between the planting of a seedling and the time when the tree will be harvested for commercial use. During that interim, it may at times be difficult to discern any obvious commercial activity taking place on the land. In many instances, the best accepted commercial practice with regard to that forest land is to do nothing other than to allow the trees to follow the natural course of maturation. Experience has shown that it is almost inevitable

that a large amount of land containing commercially valuable trees will at some point be harvested for commercial purposes. Owners of such large amounts of land will receive the financial benefit of commercial activity either through the sale of the forest product or through the increased value that the forest product adds to the land when the land is transferred.

#### §2722. Annual tax

An excise tax is imposed upon the privilege of using one's land in commercial forestry enterprise in this State. The tax shall be levied upon owners of commercial forest land and shall be apportioned according to the formula specified in section 2723. The State, municipalities and the Federal Government are not subject to this tax.

#### §2723. Computation of the tax

1. Fiscal years beginning with 1986-87. By September 1, 1986, and annually thereafter, the Commissioner of Conservation shall certify to the State Tax Assessor the amount appropriated from the General Fund by the Legislature for that fiscal year and the amounts of any other receipts of funds as a result of forest fire protection activities, including projected federal funds, actual receipts from municipalities and the unorganized territory pursuant to Title 12, sections 9204, 9205 and 9205-A, for the preceding fiscal year and receipts from sales of vehicles, land and equipment attributable to the preceding fiscal year. The State Tax Assessor shall subtract receipts from other sources from the General Fund appropriation for forest fire control and divide the result by 2. This amount shall be divided by the total number of adjusted acres of commercial forest land, rounded to the nearest 1/10 of a cent and multiplied by the number of adjusted acres of commercial forest land owned by each taxpayer to determine the amount of tax for which each owner of commercial forest land shall be liable.

2. Fiscal year 1985-86. For fiscal year 1985-86, the amount of the tax assessed against each owner of commercial forest land shall be determined by dividing \$9,827,150 by the total number of adjusted acres of commercial forest land, rounded to the nearest 1/10 of a cent and multiplying by the number of adjusted acres owned by each taxpayer.

3. Minimum tax. If the amount calculated under

this chapter is less than \$5, the amount assessed shall be \$5.

§2724. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Adjusted acres. "Adjusted acres" means the total number of acres of commercial forest land owned by a person throughout the State reduced by 500 acres. Cotenants of property, whether joint tenants or tenants in common, shall be treated as one person and shall collectively be entitled to only one 500-acre reduction.

2. Commercial forest land. "Commercial forest land" means land which is classified or which is eligible for classification as forest land pursuant to the Maine Tree Growth Tax Law, chapter 105, subchapter II-A, except that "commercial forest land" does not include land described in section 573, subsection 3, paragraph B, C or D. In determining whether land not classified under the Maine Tree Growth Tax Law is eligible for classification under that law, all facts and circumstances shall be considered, including whether the landowner is engaged in the forest products business and the land is being used in that business or there is a forest management plan for commercial use of the land or a particular parcel of land has been harvested for commercial purposes within the preceding 5 years.

§2725. Due date

This excise tax is due May 1, 1986, and each subsequent May 1st.

§2726. Administration

1. Returns. The State Tax Assessor shall prescribe and make available the required tax return. All owners of more than 500 acres of forested land, whether or not that land is commercial forest land, shall complete and file tax returns with the State Tax Assessor no later than March 1, 1986, and each subsequent March 1st.

2. Date of ownership. The ownership and use of forested land for purposes of this chapter shall be determined as of April 1st preceding the date that the tax return is due.

3. Notice. The State Tax Assessor shall notify

all landowners subject to this tax of the tax assessed against them no later than 30 days before the date that the tax is due. Failure to notify a landowner shall not relieve the obligation to pay the tax when due.

4. Supplemental assessments. Supplemental assessments may be made in accordance with section 141.

5. Interest and penalties. Taxes remaining unpaid after the due date are subject to interest and penalty as provided in chapter 7.

6. Enforcement. The tax imposed by this chapter may be enforced by the same enforcement and collection procedures as those provided for income taxes in chapter 835.

§2727. Credit; refund

The State Tax Assessor shall, to the extent reasonably possible, offset refunds of tax paid under chapter 366 as a credit against the tax due under this chapter. Amounts collected under chapter 366 for which a credit on the tax bills for fiscal year 1985-86 is not provided shall be refunded before May 1, 1986. Interest shall be paid in accordance with section 186.

Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1985-86

FINANCE AND ADMINISTRATION,  
DEPARTMENT OF

Bureau of Taxation

All Other \$6,000

Provides funds for Fire Suppression Tax refund administration.

Sec. 4. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1985-86

FINANCE AND ADMINISTRATION,  
DEPARTMENT OF

Bureau of Taxation -  
Fire Suppression Tax Refunds

All Other \$7,279,150

Provides funds  
for Fire Sup-  
pression Tax re-  
funds for 1983  
and 1984.

Sec. 5. Effective date. Section 4 of this Act shall take effect April 1, 1986.

Effective February 12, 1986, unless otherwise indicated.

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