

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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

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

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

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

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

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

S. Mining property as provided in section 2854.;

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

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

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

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

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

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

### **SUMMARY**

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