TAXATION

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STATE OF MAINE

HOUSE OF REPRESENTATIVES

129TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT “     ” to H.P. 204, L.D. 241, Bill, “An Act To Adjust
the Personal Property Tax Exemption for Farm Machinery”

Amend the bill by striking out everything after the enacting clause and inserting the
following:

'Sec. 1.  36 MRSA §655, sub-§1, ¶M, as amended by PL 1977, c. 263, is further
amended to read:

M. All farm machinery used exclusively in production of hay and field crops to the
aggregate actual market value, excluding motor vehicles, not exceeding $10,000,
excluding motor vehicles and on or after April 1, 2020 not exceeding $45,000. Motor
vehicle shall mean As used in this paragraph, "motor vehicle" means any
self-propelled vehicle,

(1) On or before April 1st annually, a taxpayer claiming an exemption under this
paragraph shall file a report with the assessor of the taxing jurisdiction in which
the property would otherwise be subject to taxation on April 1st of that year. The
report must identify the property for which an exemption is claimed and must be
on a form prescribed by or approved by the bureau. The bureau shall provide
copies of the form to each municipality in the State, and the form must be made
available to taxpayers before April 1st annually.

(2) The bureau may audit the records of a municipality to ensure compliance
with this paragraph. The bureau may review the records of a municipality to
determine if exemptions granted under this paragraph have been properly
approved. If the bureau determines that an exemption under this paragraph has
been improperly approved, the bureau shall ensure, either by setoff against other
payments due the municipality or otherwise, that the municipality is not
reimbursed for the revenue lost as a result of the improperly approved exemption.
A municipality that is aggrieved by a determination of the bureau under this
paragraph may appeal pursuant to section 151.
(3) Notwithstanding section 661, a municipality that experiences a loss in property tax revenue attributable to the increase in the exemption limitation over $10,000 on or after April 1, 2020 is entitled to reimbursement in the manner provided in section 661 for 100% of the additional property tax revenue loss;

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF Revenue Services, Bureau of 0002
Initiative: Provides one-time funding to reimburse municipalities for costs associated with increasing the property tax exemption on farm machinery from $10,000 to $45,000.

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<th>2019-20</th>
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<tbody>
<tr>
<td>GENERAL FUND</td>
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<td>All Other</td>
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<tr>
<td>GENERAL FUND TOTAL</td>
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<td>$17,500</td>
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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment provides a time frame for implementation of the increase in the property tax exemption for farm machinery, provides administrative provisions for the Bureau of Revenue Services to enforce the exemption and verify required state reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption.

This amendment also includes an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)