



128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 541

H.P. 385

House of Representatives, February 9, 2017

An Act Regarding the Commercial Forestry Excise Tax

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HICKMAN of Winthrop.
Cosponsored by Senator MAKER of Washington and
Representatives: BLACK of Wilton, DUNPHY of Old Town, GRANT of Gardiner, MARTIN
of Eagle Lake, NADEAU of Winslow, Senators: DILL of Penobscot, JACKSON of Aroostook.

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

2 **Sec. 1. 36 MRSA §2722**, as amended by PL 1987, c. 362, §1, is repealed and the
3 following enacted in its place:

4 **§2722. Annual tax**

5 An excise tax is imposed upon the privilege of using one's land in commercial
6 forestry enterprise in this State.

7 **1. Rate; definition.** An owner of commercial forest land shall pay an excise tax at
8 the rate of 26¢ per acre. For the purposes of this subsection, "commercial forest land"
9 means land that is classified or that is eligible for classification as forest land pursuant to
10 the Maine Tree Growth Tax Law, except that "commercial forest land" does not include
11 land described in section 573, subsection 3, paragraph B or C when all commercial
12 harvesting of forest products is prohibited. In determining whether land not classified
13 under the Maine Tree Growth Tax Law is eligible for classification under that law, all
14 facts and circumstances must be considered, including whether the landowner is engaged
15 in the forest products business and the land is being used in that business or there is a
16 forest management plan for commercial use of the land or a particular parcel of land has
17 been harvested for commercial purposes within the preceding 5 years.

18 **2. Exemption.** The State, municipalities and the Federal Government are not subject
19 to the excise tax imposed by this section.

20 **3. Minimum tax.** If the amount calculated under this chapter is less than \$5, the
21 amount assessed must be \$5.

22 **Sec. 2. 36 MRSA §2723-A**, as amended by PL 1997, c. 24, Pt. C, §6 and PL 2011,
23 c. 657, Pt. W, §6, is repealed.

24 **Sec. 3. 36 MRSA §2724**, as amended by PL 1993, c. 452, §15, is repealed.

25 **SUMMARY**

26 Currently the State Tax Assessor is required annually to calculate and determine the
27 rate of the excise tax imposed upon owners of land used for commercial forestry using
28 information provided by the Commissioner of Agriculture, Conservation and Forestry
29 regarding expenditures and revenue for forest fire protection for the current and preceding
30 year.

31 This bill simplifies the process and provides greater predictability by establishing an
32 excise tax of 26¢ per acre of commercial forest land. This bill also repeals the current
33 formula and a definition that is no longer necessary due to the repeal of the formula.