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. [PL 1985, c. 514, §2 (NEW).]

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. [PL 1985, c. 514, §2 (NEW).]

SECTION HISTORY

PL 1985, c. 514, §2 (NEW).

§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-A. The State, municipalities and the Federal Government are not subject to this tax. [PL 1987, c. 362, §1 (AMD).]

SECTION HISTORY

PL 1985, c. 514, §2 (NEW). PL 1987, c. 362, §1 (AMD).

§2723. Computation of the tax

(REPEALED)

SECTION HISTORY

PL 1985, c. 514, §2 (NEW). PL 1987, c. 362, §2 (RP).

§2723-A. Computation of tax

1. Calculation of fire control net costs. Annually by September 1 beginning in 1987, the Commissioner of Agriculture, Conservation and Forestry shall certify to the State Tax Assessor the amount appropriated from the General Fund by the Legislature for the current fiscal year, including funds appropriated or allocated for capital improvements and repairs and the amounts proposed and budgeted to be spent in any federal and dedicated accounts for forest fire protection activities in the same fiscal year. The commissioner shall certify the amounts of all projected revenues resulting from forest fire protection activities for the same fiscal year, including federal revenues and dedicated revenues from the sale of buildings, vehicles and other equipment; fees and other miscellaneous

revenues; and revenues estimated to be received from municipalities and the unorganized territory pursuant to Title 12, sections 9204, 9205 and 9205-A.
[PL 1987, c. 362, §3 (NEW); PL 2011, c. 657, Pt. W, §6 (REV).]

2. Preceding fiscal year net costs. The commissioner shall certify to the State Tax Assessor actual expenditures and revenues for forest fire protection for the preceding fiscal year for the same categories of information required in subsection 1 and provide the net amount resulting from subtracting revenues from expenditures.
[PL 1987, c. 362, §3 (NEW).]

3. Roll forward amount from preceding fiscal year. The State Tax Assessor shall subtract the amount in subsection 2 from the amount determined for the preceding fiscal year under subsection 4. If the resulting amount is positive, it shall be treated as a revenue and deducted from current year estimated expenditures. If the amount is negative, it shall be treated as an expenditure and added to current year estimated expenditures.
[PL 1987, c. 362, §3 (NEW).]

4. Computing current year costs. The State Tax Assessor shall add all projected expenditures for the current fiscal year, including general, federal and dedicated funds. From this amount shall be subtracted all revenues projected to be received in the current fiscal year, as identified in accordance with subsection 1. From this amount shall be added or subtracted, as appropriate, the net roll forward amount from the prior fiscal year as determined in subsection 3.
[PL 1987, c. 362, §3 (NEW).]

5. Computing the tax.

[PL 1989, c. 555, §§20, 24 (RP); PL 1989, c. 600, Pt. B, §11 (AFF).]

5-A. Computing tax. This amount must be multiplied by 40% and the sum must then 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 is liable.
[PL 1997, c. 24, Pt. C, §6 (AMD).]

6. Minimum tax. If the amount calculated under this chapter is less than $5, the amount assessed shall be $5.
[PL 1987, c. 362, §3 (NEW).]

SECTION HISTORY

PL 1987, c. 362, §3 (NEW). PL 1989, c. 555, §§20,21,24 (AMD). PL 1989, c. 600, §B11 (AMD). PL 1991, c. 528, §LL3 (AMD). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §LL3 (AMD). PL 1993, c. 410, §KK1 (AMD). PL 1997, c. 24, §C6 (AMD). PL 2011, c. 657, Pt. W, §6 (REV).

§2724. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1985, c. 514, §2 (NEW).]

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.
[PL 1985, c. 514, §2 (NEW).]

2. Commercial forest land. "Commercial forest land" means land that is classified or that is eligible for classification as forest land pursuant to the Maine Tree Growth Tax Law, chapter 105, subchapter 2-A, except that "commercial forest land" does not include land described in section 573,

subsection 3, paragraph B or C when all commercial harvesting of forest products is prohibited. In determining whether land not classified under the Maine Tree Growth Tax Law is eligible for classification under that law, all facts and circumstances must 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. "Commercial forest land" does not include tribal land.
[PL 2021, c. 681, Pt. F, §1 (AMD); PL 2021, c. 681, Pt. F, §6 (AFF).]

SECTION HISTORY

PL 1985, c. 514, §2 (NEW). PL 1987, c. 497, §43 (AMD). PL 1993, c. 452, §15 (AMD). PL 2021, c. 681, Pt. F, §1 (AMD). PL 2021, c. 681, Pt. F, §6 (AFF).

§2725. Due date

This excise tax is due May 1, 1986, and each subsequent May 1st. [PL 1985, c. 514, §2 (NEW).]

SECTION HISTORY

PL 1985, c. 514, §2 (NEW).

§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 February 1st. Taxpayer identification numbers included on the return required by this subsection are confidential and are not a public record for purposes of Title 1, chapter 13.
[PL 2021, c. 253, Pt. C, §3 (AMD).]

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.
[PL 1985, c. 514, §2 (NEW).]

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.
[PL 1985, c. 514, §2 (NEW).]

4. Supplemental assessments. Supplemental assessments may be made in accordance with section 141, subsection 1, except that the following limitations apply:

A. If a landowner who has failed to file a return under this chapter signs and files with the assessor an affidavit stating that the landowner did not know of the requirement to file a return under this chapter, a supplemental assessment may be made only for the 3 preceding years. Interest and penalties must be waived or abated if the tax is paid within 30 days after receipt of notice of the supplemental assessment as provided in a manner prescribed in section 111, subsection 2; and [PL 2011, c. 462, §1 (NEW); PL 2011, c. 462, §2 (AFF).]

B. If a landowner knew of the requirement to file a return under this chapter or if the assessor determines that the affidavit under paragraph A was falsely filed, the supplemental assessment may be made for the 6 preceding years plus interest and penalties. [PL 2011, c. 462, §1 (NEW); PL 2011, c. 462, §2 (AFF).]
[PL 2011, c. 462, §1 (AMD); PL 2011, c. 462, §2 (AFF).]

5. Interest and penalties. Taxes remaining unpaid after the due date are subject to interest and penalty as provided in chapter 7.
[PL 1985, c. 514, §2 (NEW).]

6. Enforcement. The tax imposed by this chapter may be enforced by the enforcement and collection procedures provided in chapter 7.
[PL 1995, c. 281, §21 (AMD).]

SECTION HISTORY

PL 1985, c. 514, §2 (NEW). PL 1989, c. 508, §15 (AMD). PL 1995, c. 281, §21 (AMD). PL 2011, c. 462, §1 (AMD). PL 2011, c. 462, §2 (AFF). PL 2021, c. 253, Pt. C, §3 (AMD).

§2727. Credit; refund

(REPEALED)

SECTION HISTORY

PL 1985, c. 514, §2 (NEW). PL 2011, c. 240, §22 (RP).

§2728. Report on ownership of commercial forest land by size of ownership

On or before September 1st of each year, the State Tax Assessor shall provide the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry with information on the number of landowners filing tax returns in accordance with this chapter, including a breakdown of the number of landowners by acreage categories. The State Tax Assessor shall consult with the Director of the Bureau of Forestry in determining the acreage categories and shall provide the information in a consistent format to facilitate comparison from year to year. [PL 2001, c. 564, §6 (NEW); PL 2011, c. 657, Pt. W, §§5, 7 (REV); PL 2013, c. 405, Pt. A, §23 (REV).]

SECTION HISTORY

PL 2001, c. 564, §6 (NEW). PL 2011, c. 657, Pt. W, §§5, 7 (REV). PL 2013, c. 405, Pt. A, §23 (REV).

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