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Date: (Filing No. H- )

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 806, L.D. 1258, “An Act to Increase the Personal Property Tax Exemption for Farm Machinery”

Amend the bill in section 1 in paragraph M by striking out all of subparagraph (3) (page 1, lines 25 to 28 in L.D.) and inserting the following:

'(3) 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, 2024 is entitled to reimbursement in the manner provided in section 661 for 50% of the additional property tax revenue loss.

(4) The bureau shall reimburse municipalities and the Unorganized Territory Education and Services Fund in the manner provided in Title 30-A, section 5685 for state-mandated costs attributable to the increase in the exemption under this paragraph from \$10,000 to \$45,000 beginning April 1, 2024.

(5) Machinery that is eligible for the business equipment tax exemption under subchapter 4-C or for reimbursement under the Business Equipment Tax Reimbursement program under chapter 915 is not eligible for the exemption provided under this paragraph.'

Amend the bill by inserting after section 1 the following:

**'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 funding for state-mandated costs associated with an increased property tax exemption for farm machinery beginning April 1, 2024.

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$0	\$3,750
	_____	_____

**COMMITTEE AMENDMENT**

1 GENERAL FUND TOTAL \$0 \$3,750

2

3 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
4 number to read consecutively.

5

**SUMMARY**

6 This amendment changes from 100% to 50% the amount of state reimbursement to  
7 municipalities for the loss of revenue resulting from the increase of the property tax  
8 exemption under the bill, provides that state-mandated costs attributable to the bill must be  
9 reimbursed at 90% and provides that farm equipment for which the bill increases the  
10 property tax exemption is not eligible for the exemption under the bill if the property is  
11 eligible for the business equipment tax exemption or for reimbursement under the Business  
12 Equipment Tax Reimbursement, or BETR, program.

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**FISCAL NOTE REQUIRED**

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**(See attached)**