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H.P. 515

House of Representatives, February 23, 2011

An Act To Promote Small Business in Maine

Received by the Clerk of the House on February 18, 2011. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative CORNELL du HOUX of Brunswick.
Cosponsored by Senator RECTOR of Knox and
Representatives: BERRY of Bowdoinham, CAREY of Lewiston, COTTA of China,
FLEMINGS of Bar Harbor, HERBIG of Belfast, HUNT of Buxton, KNIGHT of Livermore
Falls, PILON of Saco.

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

2 **Sec. 1. 36 MRSA §655, sub-§1, ¶S**, as amended by PL 2005, c. 652, §1 and
3 affected by §3, is further amended to read:

4 S. Mining property as provided in section 2854; ~~and~~

5 **Sec. 2. 36 MRSA §655, sub-§1, ¶T**, as enacted by PL 2005, c. 652, §1 and
6 affected by, §3, is amended to read:

7 T. Trail-grooming equipment registered under Title 12, section 13113; and

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

9 U. The first \$75,000 in value of any machinery, equipment, furnishings or like
10 personal property owned and regularly used in the normal course of business by a
11 small business in the State for or in connection with business operations, whether the
12 small business is in the form of a sole proprietorship, a partnership, a limited liability
13 company, an incorporated entity or any other form of business enterprise legally
14 operated in the State. For the purposes of this paragraph, "small business" means any
15 business operating in the State that meets the small business size standards set forth
16 in the United States Small Business Administration's Table of Small Business Size
17 Standards Matched to North American Industry Classification System Codes and
18 codified in 13 Code of Federal Regulations, Section 121.

19 **SUMMARY**

20 This bill creates a personal property tax exemption for the first \$75,000 in value of
21 any machinery, equipment, furnishings or like personal property that is owned and
22 regularly used in the normal course of business by any small business operating in the
23 State in any legal form. The bill also provides a definition of "small business" for the
24 purpose of determining eligibility for the exemption, using the small business size
25 standards developed by the United States Small Business Administration and codified in
26 13 Code of Federal Regulations, Section 121.