



# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1258

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H.P. 806

House of Representatives, March 21, 2023

**An Act to Increase the Personal Property Tax Exemption for Farm Machinery**

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Reference to the Committee on Taxation suggested and ordered printed.

*Robert B. Hunt*  
ROBERT B. HUNT  
Clerk

Presented by Representative TERRY of Gorham.

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

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

4 M. All farm machinery used exclusively in production of hay and field crops to the  
5 aggregate actual market value, excluding motor vehicles, not exceeding \$10,000;  
6 ~~excluding motor vehicles~~ and on or after April 1, 2024 not exceeding \$45,000. ~~Motor~~  
7 ~~vehicle shall mean~~ As used in this paragraph, "motor vehicle" means any self-propelled  
8 vehicle;

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

16 (2) The bureau may audit the records of a municipality to ensure compliance with  
17 this paragraph. The bureau may review the records of a municipality to determine  
18 if exemptions granted under this paragraph have been properly approved. If the  
19 bureau determines that an exemption under this paragraph has been improperly  
20 approved, the bureau shall ensure, either by setoff against other payments due the  
21 municipality or otherwise, that the municipality is not reimbursed for the revenue  
22 lost as a result of the improperly approved exemption. A municipality that is  
23 aggrieved by a determination of the bureau under this paragraph may appeal  
24 pursuant to section 151.

25 (3) Notwithstanding section 661, a municipality that experiences a loss in property  
26 tax revenue attributable to the increase in the exemption limitation over \$10,000  
27 on or after April 1, 2024 is entitled to reimbursement in the manner provided in  
28 section 661 for 100% of the additional property tax revenue loss;

29 **SUMMARY**

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