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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. 1122, L.D. 1743, “An Act to Eliminate the Personal Property Tax”

Amend the bill by inserting after section 39 the following:

'Sec. 40. Study of related issues. The Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy shall study the impact of eliminating the imposition of property tax on personal property and shall report to the Joint Standing Committee on Taxation no later than February 1, 2024 regarding:

- 1. The impact of the elimination of the tax on municipal revenue, including the impact of changes in state valuation and changes in the distribution of state-municipal revenue sharing and the impact on education funding and other calculations that involve consideration of state property tax valuation;
- 2. The identification of references to taxation of personal property in the Maine Revised Statutes that need to be repealed or amended;
- 3. The impact of provisions in the Constitution of Maine that affect the taxation of personal property, including the constitutional requirement under Article IV, Part Third, Section 23 of state reimbursement to municipalities of 50% of the tax loss attributable to property tax exemptions and the need for reimbursement under the mandate provision of the Constitution of Maine for additional costs imposed on municipal governments; and
- 4. The impact of the elimination of the property tax on personal property on the State's economy and the need for enactment or repeal of statutory provisions necessary or desirable to achieve and maximize the benefit of the elimination.

The office shall include in its report any suggested legislation considered desirable to accomplish the goals of this Act. The committee may report out legislation to the Second Regular Session of the 131st Legislature related to the report.'

Amend the bill in section 40 in the last line (page 9, line 39 in L.D.) by striking out the following: "2024" and inserting the following: '2025'

COMMITTEE AMENDMENT

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

3 **SUMMARY**

4 This amendment delays the beginning of the elimination of the personal property tax
5 from property tax years beginning on or after April 1, 2024 to property tax years beginning
6 on or after April 1, 2025. It requires the Department of Administrative and Financial
7 Services, Bureau of Revenue Services, Office of Tax Policy to study the impact of
8 eliminating the imposition of property tax on personal property and to report to the Joint
9 Standing Committee on Taxation by February 1, 2024 regarding the impact of eliminating
10 the personal property tax and methods for maximizing the benefit of the elimination of the
11 tax.

12 **FISCAL NOTE REQUIRED**
13 **(See attached)**