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An Act To Delay the Implementation of Changes to the Business Equipment Tax Exemption

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the changes made by Public Law 2013, chapter 368, Part O apply retroactively to property tax years beginning on or after April 1, 2013; and

Whereas, the reporting requirements for a taxpayer seeking a business equipment tax exemption, if applied to the current property tax year, could eliminate the ability to get that exemption for the 2013 property tax year; and

Whereas, in order to preserve the business equipment tax exemption and prevent the unintended consequence caused by the retroactive application, this legislation needs to take effect as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. PL 2013, c. 368, Pt. O, §11 is repealed and the following enacted in its place:

Sec. O-11. Retroactive application. Those sections of this Part that repeal the Maine Revised Statutes, Title 5, section 1532, subsection 7; amend Title 36, section 208-A, subsections 1, 2 and 5; and repeal and replace Title 36, section 208-A, subsections 3 and 4 apply retroactively to property tax years beginning on or after April 1, 2013.

Sec. 2. PL 2013, c. 368, Pt. O, §12 is enacted to read:

Sec. O-12. Application. Those sections of this Part that enact the Maine Revised Statutes, Title 36, section 693, subsection 4 and amend Title 36, section 693, subsection 1; section 694, subsection 1; and section 694, subsection 2, paragraph B apply to property tax years beginning on or after April 1, 2014.

Sec. 3. Retroactivity. This Act applies retroactively to June 26, 2013.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

As enacted in Public Law 2013, chapter 368, a taxpayer seeking a business equipment tax exemption and owning property exceeding 2% of the total valuation of the municipality is required to provide annually to the municipality income and expense information that is sufficient for the State Tax Assessor

to determine the value of all property owned by the taxpayer located in the municipality as well as the property for which exemption is sought. The taxpayer's property is ineligible for the business equipment tax exemption if the taxpayer fails to provide sufficient information.

This bill delays by one year the effective date of the reporting requirements to apply to property tax years beginning on or after April 1, 2014. This bill applies the change in the application date retroactively to June 26, 2013, the effective date of Public Law 2013, chapter 368.