



131st MAINE LEGISLATURE

LD 1258

LR 1789(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$3,750	\$153,750	\$153,750
Appropriations/Allocations				
General Fund	\$0	\$3,750	\$153,750	\$153,750

State Mandates

Required Activity

Requires municipalities to undertake administrative activities to implement an increase in the personal property tax exemption for farm machinery, including annual processing and verifying of applications.

Unit Affected

Municipality

Local Cost

4167 annually
= 100%

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill increases the property tax exemption for farm machinery beginning April 1, 2024 and requires the State to reimburse municipalities for 90% of the state-mandated costs and 50% of the property tax revenue loss due to the increased exemption. The bill includes an ongoing General Fund appropriation of \$3,750 per year beginning in fiscal year 2024-25 to reimburse municipalities for 90% of the estimated \$4,167 in state-mandated costs. Beginning in fiscal year 2025-26, an additional ongoing appropriation of \$150,000 per year will be required to reimburse municipalities for 50% of the property tax revenue loss.