



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1172

S.P. 393

In Senate, March 28, 2017

### An Act To Repeal the Maine Personal Property Tax

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator CUSHING of Penobscot.  
Cosponsored by Representative WARD of Dedham, Representative FREDETTE of Newport  
and  
Senators: CHENETTE of York, KATZ of Kennebec, MASON of Androscoggin, President  
THIBODEAU of Waldo, Representatives: GUERIN of Glenburn, KINNEY of Knox,  
PICCHIOTTI of Fairfield.

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

2 **Sec. 1. 10 MRSA §1070**, as amended by PL 1983, c. 480, Pt. B, §14, is further  
3 amended to read:

4 **§1070. Leasehold or other interests of lessee taxable**

5 The interest of the lessee of any project is subject to taxation in the manner provided  
6 for fee interests in real estate ~~and personal property~~ in Title 36, ~~sections~~ section 551 and  
7 ~~602~~, subject to the provisions of Title 36, ~~sections 655 and~~ section 656.

8 **Sec. 2. 24-A MRSA §428, sub-§2**, as amended by PL 1973, c. 585, §12, is  
9 further amended to read:

10 **2.** This section ~~shall~~ does not apply as to personal income taxes, or as to ad valorem  
11 taxes on real ~~or personal~~ property, or as to special purpose obligations or assessments  
12 imposed by another state in connection with particular kinds of insurance other than  
13 property insurance; except that deductions, from premium taxes or other taxes otherwise  
14 payable, allowed on account of real estate ~~or personal property~~ taxes paid ~~shall~~ must be  
15 taken into consideration by the superintendent in determining the propriety and extent of  
16 retaliatory action under this section.

17 **Sec. 3. 26 MRSA §872, sub-§2, ¶¶C and D**, as amended by PL 2011, c. 620,  
18 §1, are further amended to read:

19 C. The lessor is not an entity owned or controlled by a bond worker or a bond  
20 worker's spouse, parent, child, sibling, aunt, uncle or cousin or person related to a  
21 bond worker in the same manner by marriage, or by any combination of a bond  
22 worker and the bond worker's family members described in this paragraph; and

23 D. The lessor is a leasing business as evidenced by a lease of logging equipment to at  
24 least 3 different, unrelated entities within each of the past 3 years; ~~and~~.

25 **Sec. 4. 26 MRSA §872, sub-§2, ¶E**, as enacted by PL 2011, c. 620, §1, is  
26 repealed.

27 **Sec. 5. 29-A MRSA §409, sub-§5**, as amended by PL 2011, c. 240, §1, is further  
28 amended to read:

29 **5. Other taxes.** A motor vehicle, mobile home, camp trailer or truck camper may  
30 not be registered until the excise tax ~~or personal property tax~~ or real estate tax has been  
31 paid in accordance with Title 36, sections 551, ~~602~~, 1482 and 1484. The Secretary of  
32 State may provide municipal excise tax collectors with a standard vehicle registration  
33 form for the collection of excise tax.

34 **Sec. 6. 29-A MRSA §501, sub-§10, ¶A**, as enacted by PL 1993, c. 683, Pt. A, §2  
35 and affected by Pt. B, §5, is repealed.

36 **Sec. 7. 30 MRSA §6208, sub-§2**, as amended by PL 1985, c. 672, §§2 and 4, is  
37 further amended to read:

1           **2. Property taxes.** The Passamaquoddy Tribe and the Penobscot Nation shall make  
2 payments in lieu of taxes on all real ~~and personal~~ property within their respective Indian  
3 territory in an amount equal to that which would otherwise be imposed by a county, a  
4 district, the State, or other taxing authority on such real ~~and personal~~ property ~~provided,~~  
5 ~~however, except~~ that any real ~~or personal~~ property within Indian territory used by either  
6 tribe or nation predominantly for governmental purposes ~~shall be~~ is exempt from taxation  
7 to the same extent that such real ~~or personal~~ property owned by a municipality is exempt  
8 under the laws of the State. The Houlton Band of Maliseet Indians shall make payments  
9 in lieu of taxes on Houlton Band Trust Land in an amount equal to that which would  
10 otherwise be imposed by a municipality, county, district, the State or other taxing  
11 authority on that land or natural resource. Any other real ~~or personal~~ property owned by  
12 or held in trust for any Indian, Indian Nation or tribe or band of Indians and not within  
13 Indian territory, ~~shall be~~ is subject to levy and collection of real ~~and personal~~ property  
14 taxes by any and all taxing authorities, including but without limitation municipalities,  
15 except that such real ~~and personal~~ property owned by or held for the benefit of and used  
16 by the Passamaquoddy Tribe or the Penobscot Nation predominantly for governmental  
17 purposes ~~shall be~~ is exempt from property taxation to the same extent that such real ~~and~~  
18 ~~personal~~ property owned by a municipality is exempt under the laws of the State.

19           **Sec. 8. 30-A MRSA §5222, sub-§15,** as amended by PL 2011, c. 101, §6, is  
20 further amended to read:

21           **15. Tax increment.** "Tax increment" means real ~~and personal~~ property taxes  
22 assessed by a municipality or plantation, in excess of any state, county or special district  
23 tax, upon the increased assessed value of property in the development district.

24           **Sec. 9. 30-A MRSA §5263, sub-§12,** as enacted by PL 1993, c. 671, §2, is  
25 amended to read:

26           **12. Tax increment.** "Tax increment" means that portion of all real ~~and personal~~  
27 property taxes assessed by a municipality in excess of any state, county or special district  
28 tax upon the captured assessed value of property in the development district.

29           **Sec. 10. 30-A MRSA §5681, sub-§2, ¶B,** as amended by PL 2007, c. 662, §1, is  
30 further amended to read:

31           B. "Property tax burden" means the total real ~~and personal~~ property taxes assessed in  
32 the municipal fiscal year pertaining to the latest state valuation, except the taxes  
33 assessed on captured value within a tax increment financing district, divided by the  
34 latest state valuation certified to the Secretary of State.

35           **Sec. 11. 30-A MRSA §5681, sub-§2, ¶E,** as amended by PL 2011, c. 656, §1, is  
36 further amended to read:

37           E. "Disproportionate tax burden" means the total real ~~and personal~~ property taxes  
38 assessed in the municipal fiscal year pertaining to the latest state valuation, except the  
39 taxes assessed on captured value within a tax increment financing district, divided by  
40 the latest state valuation certified to the Secretary of State and reduced by .01.  
41 Beginning on July 1, 2013 and each July 1st thereafter, if the total revenue-sharing

1 distribution as calculated by subsection 5 is distributed to the municipalities without  
2 transfer or reduction, the reduction factor must be increased by either .0005 or the  
3 percentage increase necessary to equal the statewide average property tax rate,  
4 whichever increase is smaller, until the fiscal year when the percentage reduction  
5 factor reaches the statewide average property tax rate.

6 **Sec. 12. 30-A MRSA §5681, sub-§2, ¶F**, as enacted by PL 2011, c. 656, §2, is  
7 amended to read:

8 F. "Statewide average property tax rate" means the total real ~~and personal~~ property  
9 taxes assessed in all municipalities in the municipal fiscal year pertaining to the latest  
10 state valuation, except the taxes assessed on captured value within a tax increment  
11 financing district, divided by the total latest state valuation certified to the Secretary  
12 of State.

13 **Sec. 13. 36 MRSA §457, sub-§7**, as amended by PL 2011, c. 430, §1, is further  
14 amended to read:

15 **7. Collection.** Taxes assessed under this section ~~by the State Tax Assessor~~ must be  
16 enforced as generally provided by this Title. ~~Taxes assessed under this section by~~  
17 ~~municipal assessors must be enforced in the same way as locally assessed personal~~  
18 ~~property taxes.~~

19 **Sec. 14. 36 MRSA §578, sub-§1, ¶C**, as amended by PL 2011, c. 404, §1, is  
20 further amended to read:

21 C. The State Tax Assessor shall distribute reimbursement under this section to each  
22 municipality in proportion to the product of the reduced tree growth valuation of the  
23 municipality multiplied by the property tax burden of the municipality. For purposes  
24 of this paragraph, unless the context otherwise indicates, the following terms have the  
25 following meanings.

26 (1) "Property tax burden" means the total real ~~and personal~~ property taxes  
27 assessed in the most recently completed municipal fiscal year, except the taxes  
28 assessed on captured value within a tax increment financing district, divided by  
29 the latest state valuation certified to the Secretary of State.

30 (2) "Undeveloped land" means rear acreage and unimproved nonwaterfront  
31 acreage that is not:

32 (a) Classified under the laws governing current use valuation set forth in  
33 chapter 105, subchapter 2-A, 10 or 10-A;

34 (b) A base lot; or

35 (c) Waste land.

36 (3) "Average value of undeveloped land" means the per acre undeveloped land  
37 valuations used in the state valuation then in effect, or according to the current  
38 local valuation on undeveloped land as determined for state valuation purposes,  
39 whichever is less.

1 (4) "Reduced tree growth valuation" means the difference between the average  
2 value of undeveloped land and the average value of tree growth land times the  
3 total number of acres classified as forest land under this subchapter plus the total  
4 number of acres of forest land that is transferred from tree growth classification  
5 to farmland classification pursuant to section 1112 on or after October 1, 2011.

6 **Sec. 15. 36 MRSA c. 105, sub-c. 3**, as amended, is repealed.

7 **Sec. 16. 36 MRSA §655, sub-§1, ¶P**, as amended by PL 2007, c. 627, §23, is  
8 further amended to read:

9 P. All items of individually owned personal property ~~with a just value of less than~~  
10 ~~\$1,000, except:~~

11 ~~(1) Items used for industrial or commercial purposes; and~~

12 ~~(2) Vehicles as defined in section 1481 that are not subject to an excise tax;~~

13 **Sec. 17. 36 MRSA §760-A**, as enacted by PL 1991, c. 231, is repealed.

14 **Sec. 18. 36 MRSA c. 107, sub-c. 3**, as amended, is repealed.

15 **Sec. 19. 36 MRSA §1482, sub-§6, ¶A**, as amended by PL 1979, c. 666, §39, is  
16 further amended to read:

17 A. Where the person seeking to pay the excise tax owned the vehicle other than an  
18 automobile truck or truck tractor on or before April 1st, the excise tax must be paid  
19 before property taxes for the year in question are committed to the collector;  
20 ~~otherwise the owner is subject to a personal property tax.~~

21 **Sec. 20. 36 MRSA §1482, sub-§6, ¶C**, as amended by PL 1971, c. 396, is  
22 repealed.

23 **Sec. 21. 36 MRSA §1485** is repealed.

24 **Sec. 22. 36 MRSA §1486, first ¶**, as amended by PL 2011, c. 610, Pt. A, §9, is  
25 further amended to read:

26 ~~No A vehicle may not be registered under Title 29-A until the excise tax or ~~personal~~~~  
27 ~~property tax~~ or real estate tax has been paid in accordance with sections 1482 and 1484.

28 **Sec. 23. 36 MRSA §1606, sub-§4**, as enacted by PL 2007, c. 627, §35, is  
29 amended to read:

30 **4. Intent.** The intent of the Legislature is to permit the administration of all real ~~and~~  
31 ~~personal~~ property taxes in the unorganized territory through the Unorganized Territory  
32 Education and Services Fund as a matter of convenience and economy.

33 **Sec. 24. 36 MRSA §4064-A, sub-§1**, as amended by PL 2005, c. 622, §21, is  
34 further amended to read:

