

# BETE IN BATH

## **Business Equipment Tax Exemption (BETE)**



**Brenda Cummings, City Assessor**  
**January 15, 2025**

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Created in 2006 to encourage capital investment by **non-retail** businesses.

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Exempts personal property (except office furniture) from taxation.

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Locally administered, annually audited by Maine Revenue Services.

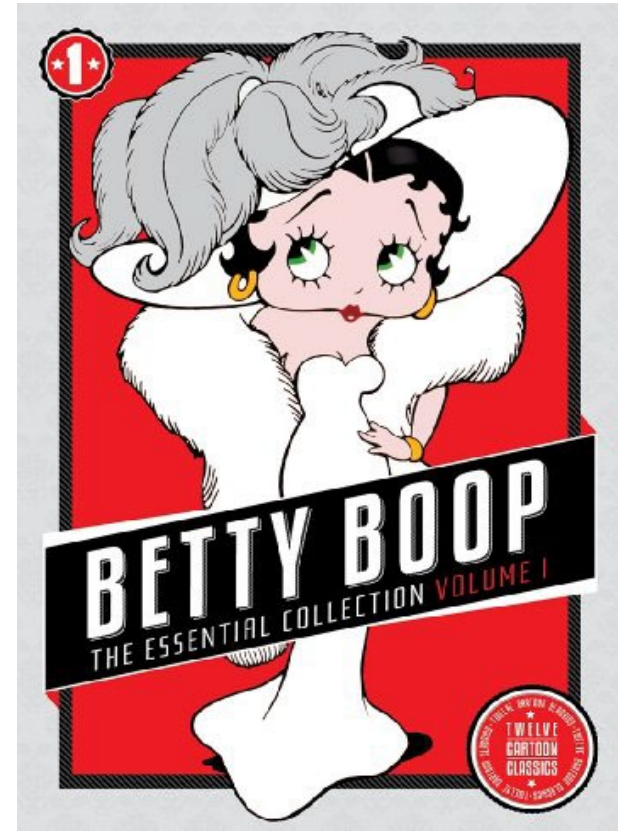
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Items placed in service after April 1, 2007 are eligible.

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Partial reimbursement to community for lost tax revenue.

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What is BETE?

Business Equipment  
Tax Exemption

# Who receives BETE?

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- Service businesses
  - Accountants, lawyers
  - Car wash, laundromat
  - Physicians and dentists
- Hotels
- Apartment owners
- Contractors
- Leasing companies that lease to non-retail locations
- Manufacturing businesses (BIW, Custom Composites, etc.)



# BETE in Bath

- 98 applications for BETE in 2024.
- 81 taxpayers with BETE exemptions.
- Lots of administrative work.
- Bath's reimbursement from the State of Maine averages 60% of what would otherwise be paid in taxes..

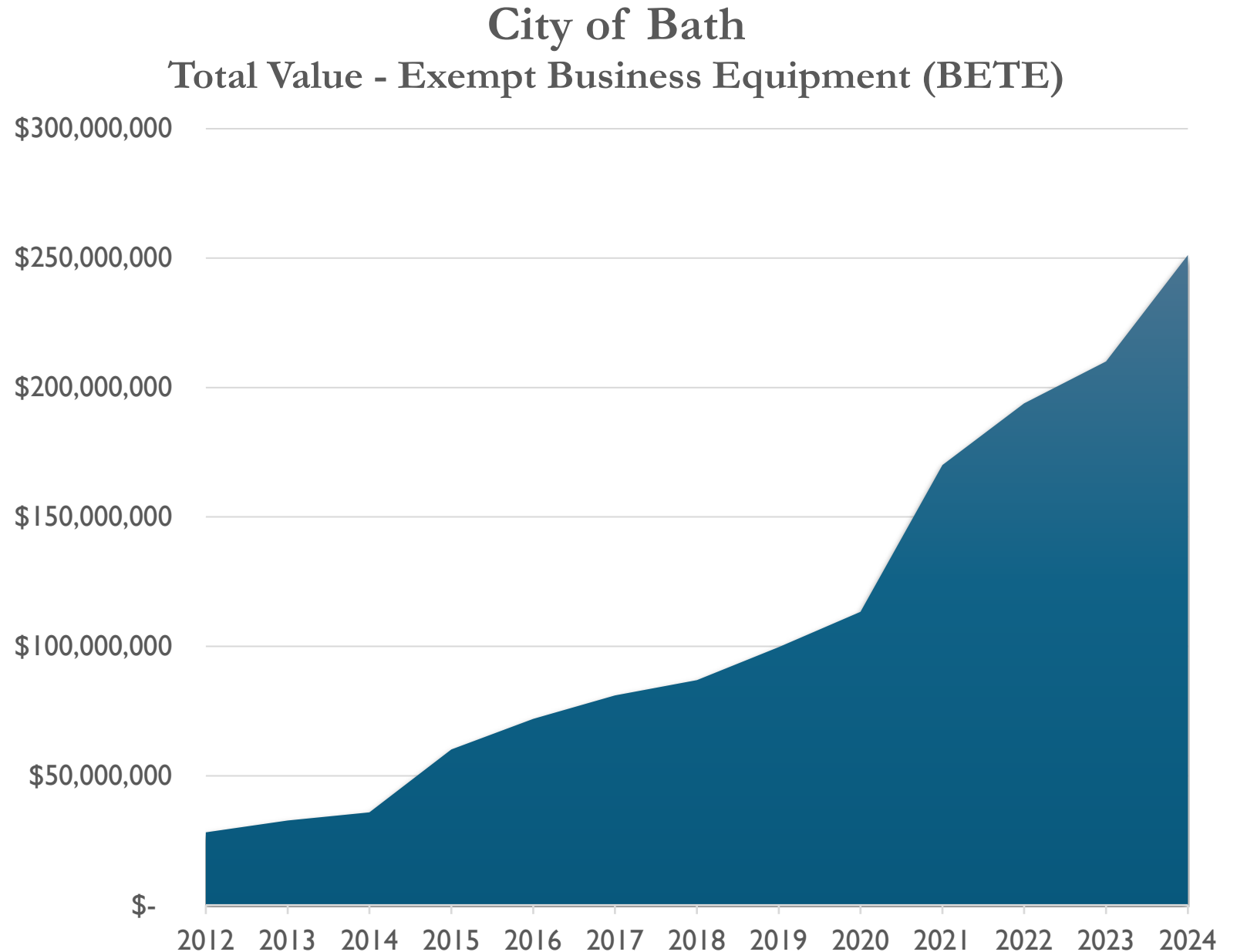
|                                 | Total value   | City Revenue   | Effective Tax Rate |
|---------------------------------|---------------|----------------|--------------------|
| Taxable Personal Property       | \$121,223,900 | \$2,000,194.35 | \$16.50/\$1,000    |
| BETE-eligible Personal Property | \$251,193,400 | \$2,512,369.02 | \$10/\$1,000       |
| Subtotal                        | \$372,417,300 | \$4,513,563.37 |                    |

# BETE in Bath

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The value of BETE eligible property has grown from \$28.2 million in 2012 to \$251.2 million in 2024, an almost nine-fold increase in twelve years.

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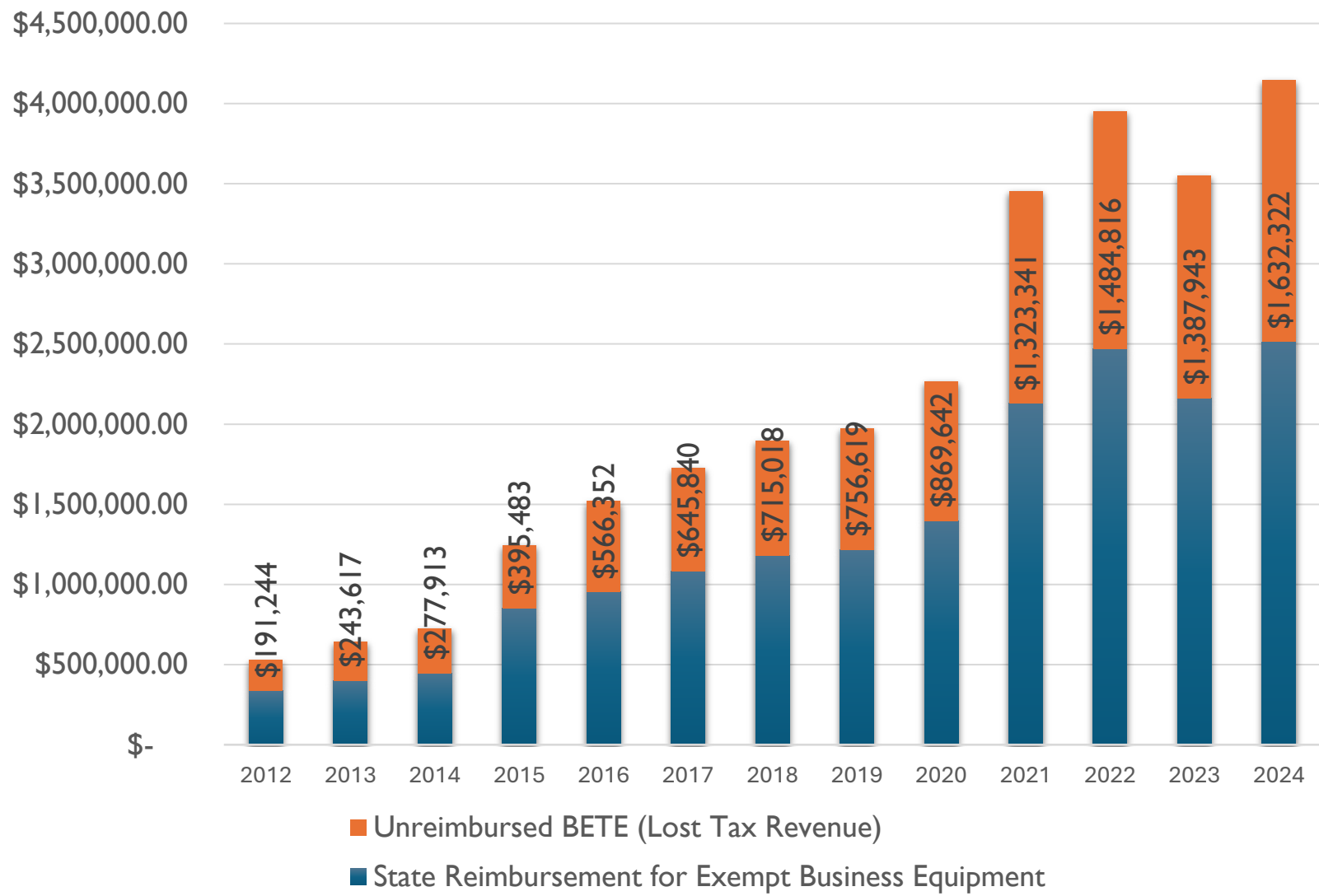




# BETE in Bath

The reimbursement from the State of Maine is consistently about 60% of the amount Bath would have raised if the property remained taxable.

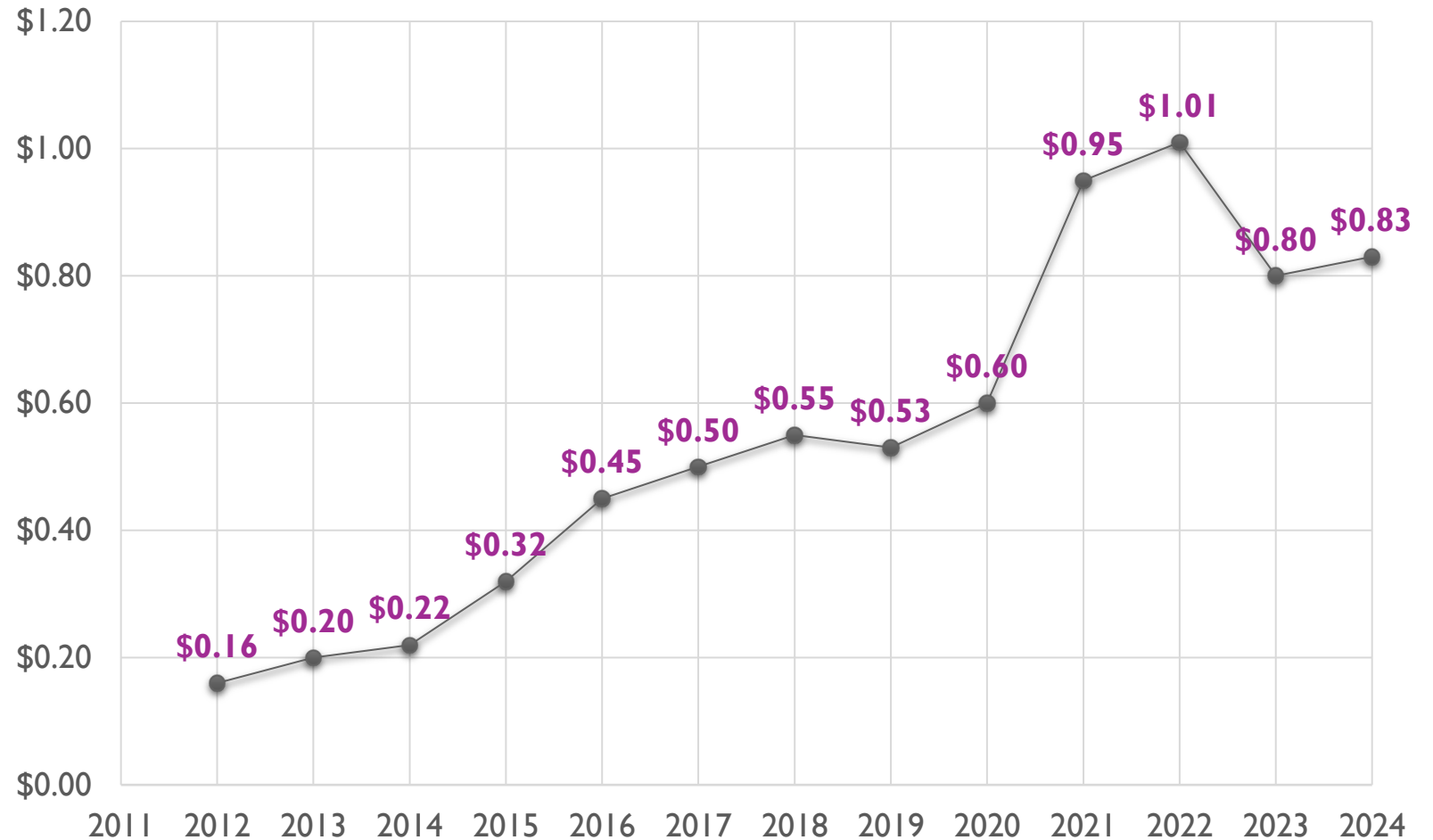
City of Bath  
Unreimbursed BETE valuation



# BETE in Bath

The Business  
Equipment Tax  
Exemption  
(BETE) program  
affects all Bath  
taxpayers.

Portion of Bath's Tax Rate  
Created by Unreimbursed BETE  
(in \$ per \$1,000 of value)  
2012 to 2024



# Cost to Bath Taxpayers of Partial Tax Exemptions (2024)

| Program  | Tax rate effect | % of total tax rate | Total value not included in tax base | Total lost tax revenue |
|--|-----------------|---------------------|--------------------------------------|------------------------|
| Current Use Programs (Farmland, Tree Growth, Open Space) | \$0.03/\$1,000  | 0.18%               | \$3,380,682                          | \$55,781.25            |
| Unreimbursed homestead exemptions                        | \$0.09/\$1,000  | 0.55%               | \$10,074,000                         | \$166,221.00           |
| All other partial exemptions (veterans, blind, etc.)     | \$0.01/\$1,000  | 0.06%               | \$1,213,000                          | \$20,014.50            |
| Business Equipment Tax Exemption (BETE)                  | \$0.83/\$1,000  | 5.03%               | \$98,928,611                         | \$1,632,322.08         |



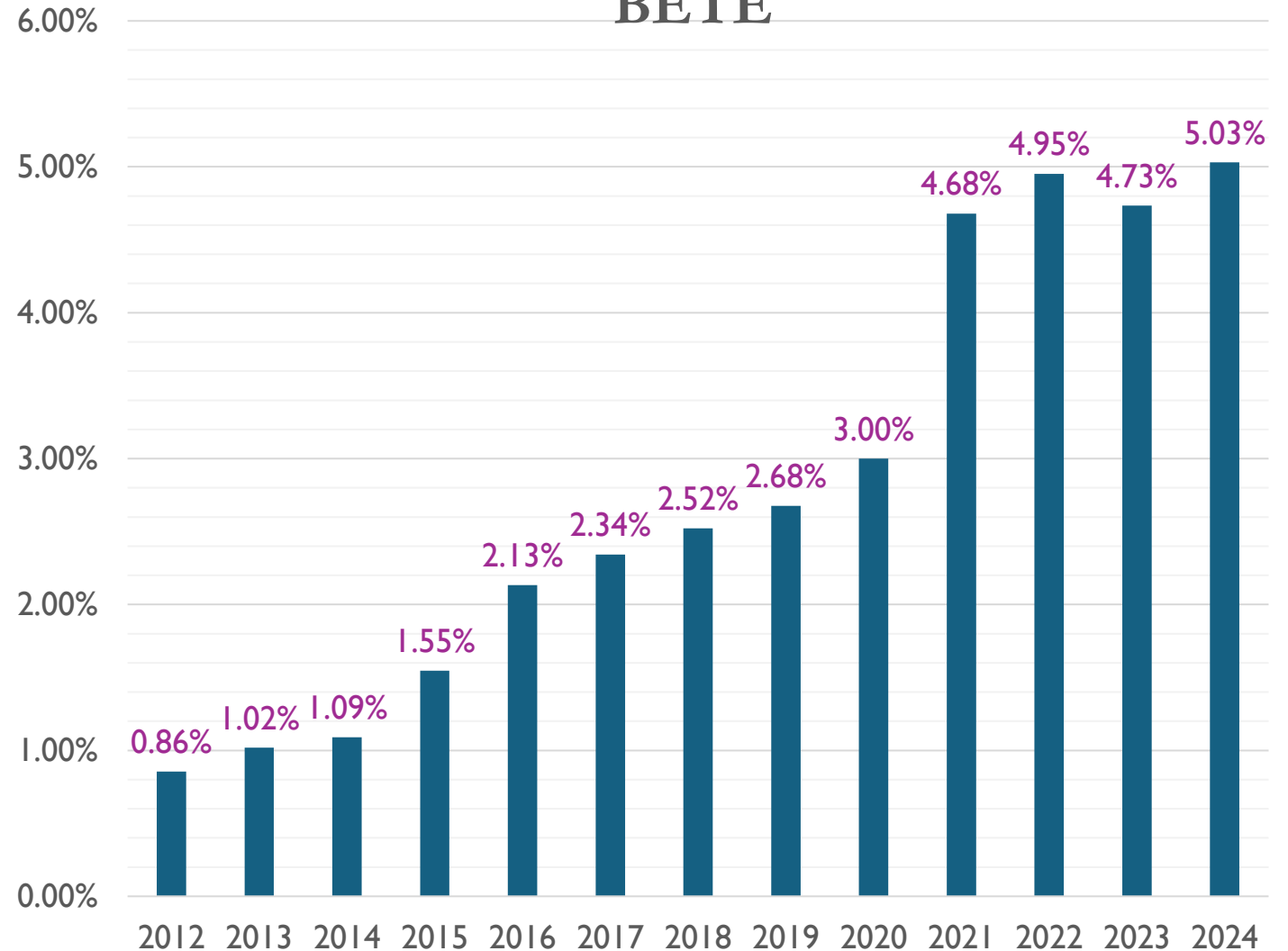
# BETE in Bath

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The Business  
Equipment Tax  
Exemption  
(BETE) program  
affects all Maine  
taxpayers.

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## Percent of Bath's Tax Rate Subsidizing BETE



Brenda Cummings  
City of Bath  
LD 1206

These slides support the written testimony of Brenda Cummings, Assessor for the City of Bath, regarding LD 1206.