

## **Testimony Regarding LD 1506, An Act to Amend the Personal Property Tax Exemption for Individually Owned Personal Property**

Thursday, May 1, 2025

I appreciate the opportunity to speak to the members of the Committee on Taxation.

My name is Kelly Weissenfels, I reside in Litchfield, Maine and I am Litchfield's Town Manager. I am here to testify in favor of *LD 1506, An Act to Amend the Personal Property Tax Exemption for Individually Owned Personal Property*, it ought to be passed.

Considering the statute objectively, inflation that has occurred since the \$1000 per item exemption was originally implemented points to a \$5000 per item exemption being an appropriate and reasonable increase.

Considering the statute subjectively, in practice the personal property tax seems primarily used to tax larger businesses (rather than all business and non-business property owners as the statutes read). But the smallest businesses now may have a laptop or simply a cell phone that exceeds the current \$1000 per item threshold. Even if qualified for a Business Equipment Tax Exemption, the time and effort to first declare a few items of property and then apply for an exemption is an administrative burden that should have a higher threshold, and \$5000 seems a reasonable adjustment. This also would bring the statute more in line with what I have observed to be current assessing practice, as it is not fiscally prudent for a town assessor or assessing agent to pursue every small or micro business, since the cost in time and effort out-weighs the revenue benefit.

I also believe any concern of revenue loss from larger businesses due to an increase in the exemption is unfounded, as assessors use an estimated value for taxable property where it is not practical to review every item, such as for large businesses.

For these reasons, concerning *LD 1506, An Act to Amend the Personal Property Tax Exemption for Individually Owned Personal Property*, I recommend that it ought to be passed.

As a town manager reliant on tax revenues to fund a town budget:

Would I support the exemption on individual items being higher than \$5000? Yes.

Would I support eliminating non-business personal property from the statutes? Yes. Can you imagine if each of us were expected to report our non-exempt personal items valued \$1000 or greater (cell phones, laptops, hunting rifles, jewelry (wedding rings), lawn tractors, portable generators, snowblowers, etc.)? The statute says we should.

Would I support a higher exemption for farm equipment? Yes.

Would I support amending the personal property statutes to reflect current practices, rather than enforcing the existing statutes? Absolutely yes.

Thank you for your time, and for your attention to LD 1506.

Sincerely,

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