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THE MAINE SENATE  
132nd Legislature

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**Joint Standing Committee on Taxation**  
**LD 1603, An Act to Eliminate the Property Tax on Business Equipment**  
**With a Value of No More Than \$50,000**  
**May 1, 2025**

Good afternoon, Senator Grohoski, Representative Cloutier, and honorable members of the Joint Standing Committee on Taxation. I am Joe Martin and I proudly represent the citizens of Senate District 19, which includes much of Northern Oxford County and communities in Franklin County. I am here to present LD 1603, “An Act to Eliminate the Property Tax on Business Equipment With a Value of No More Than \$50,000.”

This bill introduces a significant change in the state’s tax code by exempting business equipment valued at \$50,000 or less from personal property tax. The exemption is intended to ease the tax burden on small businesses and stimulate economic activity by lowering operating costs.

Under the new provisions, any tangible personal property used exclusively for business purposes—including furniture, carpentry tools, plumbing tools, farming equipment, logging equipment, construction equipment, restaurant equipment, kitchen equipment, gambling devices, office equipment, and any other kind of equipment that has been purchased to run a small business—will qualify for exemption, provided its value does not exceed the \$50,000 threshold. Importantly, this exemption is not duplicative and does not apply to property already covered by other tax exemptions.

Additionally, the law explicitly prohibits any political subdivision within the state, such as cities or towns, from imposing their own taxes or fees on this category of business equipment, ensuring consistency and fairness across jurisdictions.

The bill further amends reporting requirements, stating that taxpayers must submit documentation identifying exempt property on a state-prescribed form for the first year they claim the exemption. These changes will take effect for property tax years beginning on or after April 1, 2026.

In preparation for implementation, the Department of Administrative and Financial Services, through its Bureau of Revenue Services, is tasked with developing and distributing guidance to municipalities and businesses. They must also offer assistance upon request to help ensure proper compliance.

The bill also clarifies that business equipment qualifying under this exemption will not be considered eligible property under other sections of law that provide separate tax benefits, such as those relating to construction in progress or used qualified property. Ultimately, this legislation aims to reduce administrative burdens, promote business investment, and simplify the property tax structure for lower-value business assets across Maine.

Thank you for your time today. I would be happy to answer any questions.