



125th MAINE LEGISLATURE

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Legislative Document

No. 822

H.P. 618

House of Representatives, March 3, 2011

An Act To Remove Taxes on Equipment Used for Business

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
Clerk

Presented by Representative DAMON of Bangor.
Cosponsored by Representatives: BEAULIEU of Auburn, CHIPMAN of Portland,
CROCKETT of Bethel, FOSTER of Augusta, JOHNSON of Eddington, WILLETTE of
Presque Isle.

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

2 **Sec. 1. 36 MRSA §691, sub-§1, ¶A,** as amended by PL 2009, c. 571, Pt. II, §1
3 and affected by §5, is further amended to read:

4 A. "Eligible business equipment" means qualified property that, in the absence of
5 this subchapter, would first be subject to assessment under this Part on or after April
6 1, 2008. "Eligible business equipment" includes, without limitation, repair parts,
7 replacement parts, replacement equipment, additions, accessions and accessories to
8 other qualified business property that first became subject to assessment under this
9 Part before April 1, 2008 if the part, addition, equipment, accession or accessory
10 would, in the absence of this subchapter, first be subject to assessment under this Part
11 on or after April 1, 2008. "Eligible business equipment" also includes inventory
12 parts.

13 "Eligible business equipment" does not include:

14 ~~(1) Office furniture, including, without limitation, tables, chairs, desks,~~
15 ~~bookcases, filing cabinets and modular office partitions;~~

16 (2) Lamps and lighting fixtures used primarily for the purpose of providing
17 general purpose office or worker lighting;

18 (3) Property owned or used by an excluded person;

19 (4) Telecommunications personal property subject to the tax imposed by section
20 457;

21 (5) Gambling machines or devices, including any device, machine, paraphernalia
22 or equipment that is used or usable in the playing phases of any gambling activity
23 as that term is defined in Title 8, section 1001, subsection 15, whether that
24 activity consists of gambling between persons or gambling by a person involving
25 the playing of a machine. "Gambling machines or devices" includes, without
26 limitation:

27 (a) Associated equipment as defined in Title 8, section 1001, subsection 2;

28 (b) Computer equipment used directly and primarily in the operation of a
29 slot machine as defined in Title 8, section 1001, subsection 39;

30 (c) An electronic video machine as defined in Title 17, section 1831,
31 subsection 4;

32 (d) Equipment used in the playing phases of lottery schemes; and

33 (e) Repair and replacement parts of a gambling machine or device;

34 (6) Property located at a retail sales facility and used primarily in a retail sales
35 activity unless the property is owned by a business that operates a retail sales
36 facility in the State exceeding 100,000 square feet of interior customer selling
37 space that is used primarily for retail sales and whose Maine-based operations
38 derive less than 30% of their total annual revenue on a calendar year basis from
39 sales that are made at a retail sales facility located in the State or by a business
40 that operates a retail sales facility in the State that does not exceed 20,000 square

1 feet of interior customer selling space that is used primarily for retail sales. For
2 purposes of this subparagraph, the following terms have the following meanings:

- 3 (a) "Primarily" means more than 50% of the time;
- 4 (b) "Retail sales activity" means an activity associated with the selection and
5 purchase of goods or services or the rental of tangible personal property.
6 "Retail sales activity" does not include production as defined in section 1752,
7 subsection 9-B; and
- 8 (c) "Retail sales facility" means a structure used to serve customers who are
9 physically present at the facility for the purpose of selecting and purchasing
10 goods or services at retail or for renting tangible personal property. "Retail
11 sales facility" does not include a separate structure that is used as a
12 warehouse or call center facility;
- 13 (7) Property that is not entitled to an exemption by reason of the additional
14 limitations imposed by subsection 2; or
- 15 (8) Personal property that would otherwise be entitled to exemption under this
16 subchapter used primarily to support a telecommunications antenna used by a
17 telecommunications business subject to the tax imposed by section 457.

18 **SUMMARY**

19 This bill extends the business equipment property tax exemption to office furniture,
20 including tables, chairs, desks, bookcases, filing cabinets and modular office partitions,
21 and to otherwise eligible property located at a retail sales facility with interior customer
22 selling space that is smaller than 20,000 square feet.