1	L.D. 241
2	Date: (Filing No. H- )
3	TAXATION
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	129TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT "" to H.P. 204, L.D. 241, Bill, "An Act To Adjust the Personal Property Tax Exemption for Farm Machinery"
11 12	Amend the bill by striking out everything after the enacting clause and inserting the following:
13 14	'Sec. 1. 36 MRSA §655, sub-§1, ¶M, as amended by PL 1977, c. 263, is further amended to read:
15 16 17 18 19	M. All farm machinery used exclusively in production of hay and field crops to the aggregate actual market value, excluding motor vehicles, not exceeding \$10,000, excluding motor vehicles and on or after April 1, 2020 not exceeding \$45,000. Motor vehicle shall mean As used in this paragraph, "motor vehicle" means any self-propelled vehicle;
20 21 22 23 24 25 26	(1) On or before April 1st annually, a taxpayer claiming an exemption under this paragraph shall file a report with the assessor of the taxing jurisdiction in which the property would otherwise be subject to taxation on April 1st of that year. The report must identify the property for which an exemption is claimed and must be on a form prescribed by or approved by the bureau. The bureau shall provide copies of the form to each municipality in the State, and the form must be made available to taxpayers before April 1st annually.
27 28 29 30 31 32 33 34 35	(2) The bureau may audit the records of a municipality to ensure compliance with this paragraph. The bureau may review the records of a municipality to determine if exemptions granted under this paragraph have been properly approved. If the bureau determines that an exemption under this paragraph has been improperly approved, the bureau shall ensure, either by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the revenue lost as a result of the improperly approved exemption. A municipality that is aggrieved by a determination of the bureau under this paragraph may appeal pursuant to section 151.

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## **COMMITTEE AMENDMENT**

(3) Notwithstanding section 661, a municipality that experiences a loss in 1 2 property tax revenue attributable to the increase in the exemption limitation over \$10,000 on or after April 1, 2020 is entitled to reimbursement in the manner 3 provided in section 661 for 100% of the additional property tax revenue loss; 4 Sec. 2. Appropriations and allocations. The following appropriations and 5 6 allocations are made. 7 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF** 8 **Revenue Services, Bureau of 0002** Initiative: Provides one-time funding to reimburse municipalities for costs associated with 9 increasing the property tax exemption on farm machinery from \$10,000 to \$45,000. 10 11 GENERAL FUND 2019-20 2020-21 All Other \$0 \$17,500 12 13 \$0 \$17,500 GENERAL FUND TOTAL 14 15 Amend the bill by relettering or renumbering any nonconsecutive Part letter or 16 section number to read consecutively. 17 **SUMMARY** 18 19 This amendment provides a time frame for implementation of the increase in the property tax exemption for farm machinery, provides administrative provisions for the 20 Bureau of Revenue Services to enforce the exemption and verify required state 21 22 reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption. 23 This amendment also includes an appropriations and allocations section. 24 25 **FISCAL NOTE REQUIRED** (See attached) 26

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## **COMMITTEE AMENDMENT**