



Town of China

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March 27, 2024

Re: Information Request from business property owner.

Dear Business Owner:

This letter serves two purposes:

One - Request for business equipment listing pursuant to Title 36 Section 706A.

Maine law provides that certain personal property associated with a business is subject to property taxation. Maine law also provides that the assessors may request a list from taxpayers listing the property that is subject to taxation.

We are requesting a listing from you of personal property associated with your business that is subject to taxation. You are required to report annually, a complete itemized listing of all business equipment owned on April 1 used in the operation of your business. Costs reported on this list should include all relevant costs to make this equipment operational in your business including transportation and installation and should not be reduced by depreciation. All items physically present should be reported even though they may be fully depreciated for IRS and business accounting purposes. If there are items which are present, but not functional, please note this on the report.

To assist you in accurately reporting this list, we have listed examples of the types of personal property that are subject to taxation in the State of Maine at the bottom of this letter. On the enclosed schedule, please indicate whether the item was purchased as a new item or if it was used. Please list the date of purchase, a brief description of the item, a model number if readily available and appropriate, the actual or approximate year of manufacture, and the purchase price. The purchase price should include any necessary installation cost to make the item operable in your place of business. On the final page of the list, please list any leased equipment located at your place of business.

Also to assist you, if you are an existing account, we have enclosed a list of the equipment that you were taxed for in 2023. It is more convenient for us if you use this existing list method. **Please draw a line through all items removed from the enclosed list and use the blank schedule to report any additions to your business equipment.**

Your cooperation in providing this information will assure a fair and equitable assessment of your business equipment. **Please return the list to the Assessors' Office at the address on this letterhead by May 1, 2024.** This request is made in accordance with Maine law, Title 36, Section 706A, which provides that failure to provide a listing of property to the assessor shall bar the taxpayer's right to appeal his or her valuation.

Two - Possible Tax Exemption (Business Equipment Tax Exemption)

Business equipment that was installed or in place on or before April 1, 2007 is taxable. Certain, but not all, business equipment installed after April 1, 2007 with proper application is exempt from taxation. This exemption is not automatic. The business must apply for the exemption. **Please note that a new application is required each year for all equipment that the taxpayer is applying to be exempt from taxation.**

Office furniture and fixtures are taxable. Retail property with the selling of goods is taxable. Business equipment owned by a public utility, a radio paging service, mobile telecommunications services, a cable television company, satellite-based

television, broadcast services, and gambling equipment remain taxable. Equipment used in energy plants producing energy primarily for sale, remain taxable.

Equipment purchased used that was originally placed in service in Maine prior to on or prior to April 1, 2007 does not qualify for this exemption.

Other new business equipment placed in service after April 1, 2007, with proper annual application, is exempt from taxation. Equipment qualifying for the exemption would include manufacturing equipment, farm or timber harvesting equipment, unexcised construction equipment, non-retail office machines and computer processing equipment.

If you think that you have equipment that qualifies for this exemption, we have enclosed the State of Maine application form. Directions for the application are on the back of the form. Please copy the form if you need additional lines to report equipment that you think qualifies for this exemption. Please complete and return this exemption application by May 1, 2024. There is additional guidance available on line at www.state.me.us/revenue/propertytax/homepage.html . Click on Business Equipment Tax Exemption Program (BETE).

Please note that the deadline of May 1 is the due date according to the wording of the statute. **If you need an extension, one will be granted, but you (the taxpayer) need to request it in writing.**

Yours truly,



William Van Tuinen
Assistant to Assessors

EXAMPLES OF PERSONAL PROPERTY SUBJECT TO PERSONAL PROPERTY TAXATION IN THE STATE OF MAINE. This is not an exhaustive listing of the kinds of personal property, associated with a business in the State of Maine, that are subject to property taxation. These examples are meant to be illustrative of the types of properties that are taxed.

- Office furniture, such as tables, chairs, desks, file cabinets, etc.
- Office equipment, such as telephones, printers, computers, copiers, fax machines, etc.
- Motel furniture and fixtures such as beds, chairs, stands, televisions, etc.
- Store furniture and fixtures, such as shelving, displays, cash registers, coolers, freezers, racks, check out stands, etc.
- Bank equipment such as teller equipment, vault doors, safes, automatic teller machines, etc.
- Medical and dental equipment, such as examination tables, dental chairs, x-ray machines, lab equipment, etc.
- Manufacturing equipment used in the manufacture of a product.
- Service Station equipment such as lifts or hoists, compressors, diagnostic equipment, tire changers, etc.
- Restaurant or food preparation furniture and equipment such as tables, chairs, stoves, ovens, coolers, hoods, freezers, food preparation tables, etc.
- Rental Equipment, such as specific pieces of equipment that are rented out to customers in a business that rents to customers. This includes VCR tapes rented to customers.
- Vehicles that the owner does not pay an excise tax on, such as tractors, forklifts, backhoes, bulldozers,, etc.
- Cargo, utility, and equipment trailers.
- Vending equipment, such as beverage machines, candy machines, change machines, etc.
- Games or Game Machines used in a business, such as a coin operated video machine, a pinball machine, pool table, etc.
- Professional Libraries.
- Equipment used by contractors, masons, or landscapers, such as; power tools, staging, etc.
- Signs.
- Farm equipment including bulk tanks, milking equipment, grain bins, and hay and field equipment.