

**TOWN OF CHINA**  
571 Lakeview Drive  
China, Maine 04358  
Telephone (207) 445-2014  
Fax (207) 445-3208

**March 1, 2011**

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Re: Application Process for Exemption of Qualified Business Equipment from Taxation.

Dear Business Owner:

Maine property tax law has been revised to allow for the exemption from taxation of certain qualified business equipment first placed in service after April 1, 2007. This exemption is not available on all types of equipment. It is also not automatic. The business has to apply for the exemption. Enclosed is the state of Maine application form for this exemption. 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 April 1, 2011.

The directions on the back of the application (number 2, 3, 4, and 5) give guidance on what equipment does and does not qualify for the exemption. There is some additional guidance available on line at <http://www.state.me.us/revenue/propertytax/homepage.html>. Click on Business Equipment Tax Exemption Program (BETE).

In general, certain, but not all, business equipment installed after April 1, 2007 is exempt from taxation. Office furniture and fixtures are taxable. Retail property is taxable. Retail property is defined quite broadly and includes beauty and barber shops, restaurants, auto repair shops, gas stations, dry cleaners, laundromats, hotels and motels, bowling lanes, movie theaters, and health clubs. Business equipment owned by a public utility, a radio paging service, mobile telecommunications services, a cable television company, satellite based TV broadcast services, and gambling equipment remain taxable. Equipment used in energy plants producing energy primarily for sale remains taxable.

Other new business equipment placed in service after April 1, 2007 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.

Best regards,



Gary R. Robbins, CMA  
Assessors' Agent

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Re: Request for 2011 Business Personal Property Schedule as of April 1, 2011.

Dear Business Owner:

Maine law provides that the 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.

If you were assessed last year, a record of that assessment is enclosed. Simply cross off the items you no longer own and add any new items you acquired since April 2, 2010 and return the form to the Town Office.

If you were not assessed last year 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 full 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 on the reverse side of this letter. On the enclosed form, 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. Also enclosed is a form to list any leased equipment located at your place of business.

Your cooperation in providing this information will assure a fair and equitable assessment of your business equipment. Please return the list to the China Assessors Office at once. This request is made in accordance to Maine Law, Title 36, Section 706.

**Please submit your 2011 Personal Property listing by April 15, 2011.**

Best regards,



Gary R. Robbins, CMA  
Assessors' Agent

## **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, filing 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 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, trailers, etc.

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.