

Business Equipment Tax Exemption Application

Note: Due to recently enacted legislation, businesses engaged in the sale of retail services will now generally be eligible to participate in the BETE program for qualifying property placed in service after April 1, 2007 and will be ineligible for the BETR program.

What is the Business Equipment Tax Exemption (BETE)?

BETE is a 100% property tax exemption program for eligible property that would have been first subject to tax in Maine on or after 4/1/08. BETE does not replace the Business Equipment Tax Reimbursement (BETR) program. The BETR program remains in place for qualified property placed in service *after* April 1, 1995 and on or before April 1, 2007 and for retail property placed in service *after* April 1, 1995. (See www.maine.gov/revenue/propertytax/propertytaxbenefits/bete.htm for more BETR information).

When and where to file. You must file this application by April 1 of each year with the local assessor, even if there is no change in your property status from the prior year. An automatic extension to May 1 is granted if you cannot meet the April 1 deadline. An assessor may extend an applicant's filing deadline beyond May 1 upon receipt of written request from that applicant prior to the municipality's commitment date.

Eligible business equipment. Eligible business equipment is qualified property that would have been first subject to tax in Maine on or after 4/1/2008 and includes repair parts, replacement parts, replacement equipment, additions, accessions and accessories to other business property and inventory parts. Qualified property is tangible personal property used for a business purpose and is either depreciable under the Internal Revenue Code or would be depreciable except for the fact that it is fully depreciated. For more information, see 36 M.R.S. § 691(1).

Unqualified property. Property that does not qualify for exemption includes office furniture, lamps and lighting fixtures used primarily for general office or worker lighting, property owned or used by an excluded person, telecommunications personal property, gambling machines or devices, and property located at a retail sales facility and used primarily in a retail sales activity. (See Retail property below)

Unqualified business. Property owned or used by an "excluded person" does not qualify. Excluded persons include: public utilities, persons providing radio paging service, persons providing mobile telecommunications services, cable television companies, persons providing satellite based direct television broadcast services, and persons providing multichannel multipoint television services.

Retail property. BETE does not apply to property located at a retail sales facility and used primarily in a retail sales activity. Such property may qualify for reimbursement under the BETR program. A retail sales facility is a structure used to serve customers who are present at the facility for the purpose of selection and retail purchase of goods or for renting tangible personal property. A warehouse or call center facility is not considered a retail sales facility. Retail sales activity is associated with the selection and retail purchase of goods or rental of tangible personal property. Manufacturing or processing is not considered retail sales activity.

SPECIFIC INSTRUCTIONS - TAXPAYER

Description of the Exempt Equipment: Description should be specific enough to be able to identify the property: (i.e. 2009 Bobcat model 236D skid steer loader, 2012 DitchWitch trencher model RT30).

Purchased/Placed in Service in Maine. Enter the date the equipment was first put into service in Maine. Only equipment placed in service after April 1, 2007 is eligible for BETE.

Cost or Value New. Enter the value of the equipment when it was new or what it would cost to purchase new. Include all installation costs, freight charges, engineering costs, etc. as part of the cost of the equipment - do not list separately.

Current Age. This line is used for depreciation purposes. Enter the total number of years this equipment has existed.

Estimate of Current Value. Enter an estimate of the current value of this piece of equipment.

SPECIFIC INSTRUCTIONS - ASSESSOR

TIF. Enter "Y" if the equipment is located within a tax increment financing district.

Assessed Value. Assessed value = depreciated value x certified ratio.