



# Frequently Asked Questions

## *Business Personal Property*

### State Reimbursement of Personal Property Taxes:

#### **1. How can I get reimbursed for personal property taxes paid on business equipment?**

The State will reimburse businesses for most taxable personal property used in a business through the BETR program. Each year, a business applies for this refund using Form 800, which is used to obtain a refund of the PRIOR year's taxes.

#### **2. Where do I obtain the forms to request reimbursement?**

Generally, Maine Revenue Services publishes Form 800, the Business Equipment Tax Reimbursement (BETR) booklet, in August of each year. You may call 207-524-7894 to obtain the application, or download it from Maine Revenue Services. The Assessor's Office in City Hall also has copies of the application. The BETR form must be submitted to Maine Revenue Services by December 31<sup>st</sup> of each year.

#### **3. What personal property is not eligible for the BETR?**

- Property attached to the building or land improvements that serve the building or enhance the use of the land rather than supporting the particular business activity.
- Office furniture (desk, chairs, bookcases, filing cabinets, etc.) or light fixtures placed in service after April 1, 1996
- Vehicles registered for on-road use on which an excise tax has been paid
- Property placed into service PRIOR to April 2, 1995

#### **4. What do I need to get reimbursed through the BETR program?**

In order to complete the BETR application, you must obtain a completed Form 801, a statement of the taxable value of your property from the assessor in each municipality where the business has personal property. The business must submit Form 801 (or a substitute Form 801) to the Assessor's Office with a list of items for which the business intends to seek reimbursement. We will return the form to you with the taxable values, the tax amount, and the Assessor's signature, so that Form 801 can be included in your submission to the State of Maine. Please allow sufficient time for the Assessor's office to review and complete the form.

#### **5. Isn't business personal property exempt now?**

The Business Equipment Tax Exemption (BETE) program went into effect **April 1, 2008**. However, the BETE program applies **only** to certain qualified equipment first placed in service after April 1, 2007. It is also limited to only certain types of businesses. **Please see the BETE program handout for additional information.**

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## **Personal Property Declaration Schedule:**

### **6. I use my computer (or other items) for personal as well as business use; am I required to report those items?**

Yes, any item used to assist the business in producing income is reportable, including answering machines, computers, cell phones, calculators, desks, etc., **even if those items are also used for other purposes**. However, if you use an item in more than one business, you need only report it on one declaration schedule.

### **7. I'm a contractor/landscaper; am I required to list all my hand tools and supplies?**

The City of Bath does not assess hand tools (shovels, hammers, measuring tapes, etc.) used in business as personal property. However, larger pieces of equipment, such as ladders and staging, should be reported.

Under the law, if your business is a one-person company operated from your home, other hand-operated tools may also be exempt (i.e. small electric tools such as sanders). If you are uncertain about an item, please contact our office or list it on the declaration form for later review. Generally, a one-person contractor should only need to report the larger or more specialized equipment used in the business (such as trailers, power saws, ladders/staging, compressors, welders, etc.), along with any electronic equipment (computer, fax, answering machine, calculator) used in the business. You should also include any furnishings in your office area, such as a desk or chair, even if these items are used for non-business purposes as well as for your business.

If your business operates as a corporation, has employees, or has an office separate from your home, all electric tools used by employees, equipment, and office furnishings and electronic equipment must be reported, along with other specialized equipment (as noted above).

### **8. What does a bed and breakfast inn or other home-based business have to report?**

Under Maine law, all personal property used to generate income is reportable. Thus, all personal property in guest rooms and common areas, including art objects and other decorations, should be included in the schedule. If the property owner also lives in the building, items in parts of the building designated solely for personal use should not be reported unless they are used in the business (i.e. computers, office equipment and furnishings). If desired, an innkeeper may provide an estimate of total personal property values on a per-room basis, or may combine similar items.

### **9. What does the owner of rental property have to report?**

All household appliances or other furnishings installed for the benefit of tenants must be reported. Items used in units where the property owner or his family members reside do not need to be reported. Reportable items include stoves, ovens, microwaves, refrigerators, dishwashers, clothes dryer/washer, etc. If a unit is rented fully furnished, furniture should also be reported. Heating elements common to the building as a whole (the furnace) or fixed in place (monitor heat) do not need to be reported; they are considered to be a part of the value of the real estate. However, landlord-provided mobile heaters (like a small electric heater) should be included.

In addition, if you have an office you use to manage your rental property, the furnishings, fixtures, and electronic equipment (computers, etc.) used in this office should be reported, as they would for any other business.

### **10. Do I need to report my vehicle or boat?**

No. If the item requires payment of an excise tax, it does not need to be reported on the declaration form. However, other motorized items used in your business must be reported (for example, lawn mowers, bulldozers, power shovels). A *trailer that attaches to a vehicle and is towed is personal property and should be reported*. If used in your business, equipment items used on a boat (such as a bait refrigerator/freezer, winches, traps & nets) are also reportable personal property.

**11. What value or cost should I report if I obtained an item I use in my business for free or a very low used cost, and fixed it up myself?**

The declaration form offers three options for reporting the cost of an item; you need only fill in one of these columns. If you know the original cost, whether new or used, report that in the applicable column. If you do not know the original cost, or feel the original cost does not reflect the item's value, you may provide a current value estimate for the assessor to review.

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**For more information about personal property tax in Maine, you may contact:**

Assessor's Office  
City of Bath  
55 Front St.  
Bath, ME 04530  
207-443-8336  
[www.cityofbath.com/assessing](http://www.cityofbath.com/assessing)  
[bcummings@cityofbath.com](mailto:bcummings@cityofbath.com)

Maine Revenue Services  
Property Tax Division  
PO Box 9106  
Augusta, ME 04332-9106  
207-287-2011  
[www.maine.gov/revenue/propertytax](http://www.maine.gov/revenue/propertytax)

Legal statutes related to the personal property tax and BETR and BETE program can be found in the Maine Revised Statutes in the following locations:

Title 36 §601-612	Personal Property (General)
Title 36 §655	Personal property exempt from taxation
Title 36 §6651-6663	Business Equipment Tax Reimbursement Program
Title 36 §691-700B	Business Equipment Tax Exemption Program

These are available online at <http://janus.state.me.us/legis/statutes/search.asp>.