



City of Lewiston
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MAINE BUSINESS EQUIPMENT TAX EXEMPTION (BETE) PROGRAM

The **Business Equipment Tax Exemption (BETE) Program** went into effect **April 1, 2008**. It applies only to certain qualified equipment first placed in service after **April 1, 2007**.

Businesses continue to be required to itemize and report all personal property used in the business. Taxable items are reported separately from exempt items.

- The application for exemption is due by **May 1**. Forms will be available from the Assessor's Office.
- A business must reapply for the exemption on all eligible items each year.

The Exemption program is limited and is not retroactive. Businesses will continue to pay property taxes locally for business personal property placed in service on or before April 1, 2007. The new exemption is limited to certain equipment owned and used in certain businesses.

The Business Equipment Tax Reimbursement (BETR) program remains in effect. Most personal property that is taxed locally remains eligible for partial reimbursement from the State of Maine's Business Equipment Tax Reimbursement (BETR) program. Additionally, certain new retail business property which does not qualify for BETE may be reimbursable under the BETR program.

Does my business qualify for the Exemption (BETE) program?

The BETE law states that the exemption program does not include property used in "retail sales activity" located in a "retail sales facility." A retail sales activity includes the selection, purchase or rental of goods; a sales facility is a structure used to serve customers who are physically present to choose, purchase, or rent goods.

Who determines whether my application for the BETE program is accepted?

The initial decision to accept a business's application for the BETE program is made by the Assessor, based on the guidelines provided in the law and interpreted by the Maine Revenue Services. The assessor will notify you if your application is denied. If Maine Revenue Services later determines the Assessor's decision to be in error, you will be notified by them and will receive a supplemental assessment from the City of Lewiston.

Some businesses that provide services may be eligible for BETE due to changes in the law.

Maine Revenue Services cites the following examples of non-retail business whose property under most circumstances will qualify for BETE (Exemption):

- Accounting firms
- Computer consultants
- Industrial uses
- Hair salons/Barber shops
- Law firms
- Engineering
- Commercial uses
- Laundromats
- Medical laboratories
- Insurance companies
- Banks/Credit unions
- Doctor offices

These types of retail businesses are excluded from BETE in most circumstances, but continue to be eligible for BETR (Reimbursement):

- Restaurants
- Gas stations
- Convenience stores
- Bars
- Clothing Stores
- Grocery Stores
- Car dealerships
- Auto Parts Store
- Fast Food Restaurants

Note: Retail businesses do qualify for the reimbursement (BETR) program. Applications are available each year after August 1 for reimbursement of business personal property taxes paid in the previous year. Applications are due from August 11th to the end of December for reimbursement of the prior year's taxes.

Other businesses, primarily public utilities and communications businesses (paging, cell phones, cable television, satellite TV, etc.), are specifically excluded from the exemption program. These businesses are also excluded from the reimbursement (BETR) program.

What items do not qualify for exemption (BETE) or reimbursement (BETR)?

- **Office furniture:** Tables, chairs, desks, bookcases, filing cabinets, office partitions, central air conditioners, etc. Note: office equipment (telephones, copiers, printers, etc.) does qualify for exemption or reimbursement.
- **Lamps and lighting fixtures**
- **Gambling machines/devices**, including repair & replacement parts.
- **Improvements to real property**, that serve the building/land as a building/land (versus improvements that further a particular trade or business activity, which are eligible for the exemption or reimbursement programs).

For more information:

Business Equipment Tax Exemption (BETE)

MRSA 36 §691

207-624-5600

Business Equipment Tax Reimbursement (BETR)

MRSA 36 §6651

207-624-9424

Maine Revenue Services

Property Tax Division

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<http://www.maine.gov/revenue/propertytax/propertytaxbenefits/bete.htm>