



MAINE REVENUE SERVICES PROPERTY TAX DIVISION BULLETIN NO. 27

BUSINESS EQUIPMENT TAX REIMBURSEMENT

REFERENCE: 36 M.R.S. §§ 6651 – 6665
September 5, 2025 revision; replaces April 9, 2020 original.

1. General

The Business Equipment Tax Reimbursement (“BETR”) program reimburses taxpayers for property taxes paid on certain business property.

This bulletin is intended solely as advice to assist persons in determining and complying with their legal rights, duties, and privileges under Maine law. It is written in a relatively informal style and is intended to address questions and issues commonly faced by municipal assessors and taxpayers regarding the BETR program. For more information about the BETR program, contact your local municipal assessor or Maine Revenue Services (“MRS”).

2. Definitions

- A. Assessor. “Assessor” means a sworn municipal assessing authority, whether an individual assessor, a board of assessors, or a chief assessor of a primary assessing area. With respect to the unorganized territory, “assessor” means the State Tax Assessor.
- B. Code. “Code,” as defined in 36 M.R.S. § 111(1), means the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, 2023.
- C. Municipality. “Municipality” means any city, town, plantation, or that portion of a county in the unorganized territory.
- D. Person. “Person,” as defined in 36 M.R.S. § 111(3), means an individual, firm, partnership, association, society, club, corporation, financial institution, estate, trust, business trust, receiver, assignee or any other group or combination acting as a unit, the State or Federal Government or any political subdivision or agency of either government.
- E. Primarily. “Primarily,” as defined under 36 M.R.S. 6651(2-A), means more than 50% of the time.
- F. Retail sales activity. “Retail sales activity,” as defined under 36 M.R.S. § 6651(4), means an

activity associated with the selection and purchase of goods or the rental of tangible personal property.

- G. Retail sales facility. “Retail sales facility,” as defined under 36 M.R.S. § 6651(5), means a structure used to serve customers who are physically present at the facility for the purpose of selecting and purchasing goods at retail or for renting tangible personal property. "Retail sales facility" does not include a separate structure that is used as a warehouse or call center facility.
- H. Structure. “Structure” means a building or other free standing architectural construction.

3. Eligible Property

The BETR program allows eligible persons to receive reimbursement for a portion of the property taxes paid on eligible property during the preceding calendar year. “Eligible property,” as defined under 36 M.R.S. § 6651(1), means tangible personal property that: (1) is used or held for use exclusively for a business purpose; (2) is subject to an allowance for depreciation under the Code; and (3) meets certain placed in service requirements.

- A. Used for a business purpose. Eligible property must be used or held for use exclusively for a business purpose by the person in possession; or, for construction in progress or inventory parts, intended to be used exclusively for a business purpose by the person who will possess that property.
- B. Depreciable under the Code. Eligible property must be subject to an allowance for depreciation under the Code, or would be subject to an allowance for depreciation under the Code if not already fully depreciated. In the case of construction in progress and inventory parts, eligible property must be subject to an allowance for depreciation under the Code when placed in service (or would be if not already fully depreciated).
- C. Placed in service requirements. Generally, eligible property must have been first placed in service in Maine on or after April 2, 1995, and before April 1, 2007. Eligible property can include property of any age, as long as it was first placed in service in Maine during the relevant time period.

Example 1. A non-retail piece of equipment is purchased and placed in service in New Hampshire in 1961. In 2005, the equipment was sold to a Maine manufacturing business, moved to Portland, and placed in service in Maine for the first time. This equipment satisfies the requirement for property to be first placed in service in Maine between April 2, 1995 and April 1, 2007.

Example 2. Same facts as Example 1, but the property was sold, moved, and placed in service in Maine for the first time in 2012. This equipment does not satisfy the requirement that the property be first placed in service in Maine between April 2, 1995 and April 1, 2007.

- D. Other eligible property. Other eligible property includes, without limitation, repair parts,

replacement parts, replacement equipment, additions, accessions and accessories to other eligible business equipment. Eligible property also includes inventory parts.

Property attached to real estate is not ineligible for reimbursement under the BETR program if the attachment is used primarily to further a particular business activity taking place in or on that real estate. Eligible property does not include attachments to real estate, however, if the attachment is used primarily to serve that building as a building or serve the land as land.

Example 3. An HVAC system attached to a building is generally ineligible for reimbursement because it serves the building generally and would be used by most businesses in that building.

Example 4. A specialized refrigeration unit attached to a building used primarily for the specific business activity located in the building is not ineligible for reimbursement.

4. Retail Property

Eligible property under the BETR program includes certain property located at a retail sales facility and used primarily in a retail sales activity. Property is located at a retail sales facility if it is in or near the facility, as long as the property is within the parcel of land upon which the structure is situated.

Retail property is *not* eligible for the BETR program if it is located at a retail sales facility exceeding 100,000 square feet of interior customer selling space, unless the facility is owned by a business whose Maine-based operation derives less than 50% of its total annual revenue on a calendar-year basis from sales that are subject to Maine sales tax. Retail property located in a retail sales facility with less than 100,000 square feet of interior customer selling space is eligible for the BETR program if all other qualifications are met, even if the property was placed in service after April 1, 2007.

Retail property is generally ineligible for the BETE program. For more information on the BETE program, see Bulletin No. 28 – Business Equipment Tax Exemption.

5. Excluded Property

Property owned by an excluded person, certain excluded property, and property exempted from taxation by another provision of law is generally ineligible for reimbursement under the BETR program.

A. Excluded person. Property owned or used by the following persons does not qualify for BETR:

- (1) A public utility.
- (2) A provider of radio paging services.
- (3) A provider of mobile telecommunications services.

- (4) A cable television company.
 - (5) A provider of satellite-based direct television broadcast services or multichannel, multipoint television distribution services.
- B. Excluded property. The following property does not qualify under the BETR program:
- (1) Office furniture.
 - (2) Lamps and lighting fixtures.
 - (3) Property used to support a telecommunications antenna used by a telecommunications business subject to tax under the Telecommunications Excise Tax. See 36 M.R.S. § 457.
 - (4) Gambling machines or devices.
 - (5) Natural gas pipeline (except pipeline less than one mile in length and owned by a consumer), pumping or compression stations, storage depots, and appurtenant facilities used for natural gas.
 - (6) Property used to produce or transmit energy primarily for sale. Energy is primarily for sale if, during the property tax year for which a claim for reimbursement is being made, 2/3 or more of the useful energy is directly or indirectly sold and transmitted through the facilities of a transmission and distribution utility. Notwithstanding this exclusion, certain cogeneration facilities are eligible. See 36 M.R.S. § 6652(1-C). Certain battery storage systems are also eligible if:
 - a. more than 50% of the electrical output from the battery storage system serves load behind the utility meter where the system is located, or
 - b. there was a fully executed interconnection agreement between the battery system owner and the utility on or before January 1, 2025.
 - (7) Property against which the excise tax under Title 36, chapter 111 (aircraft, house trailers, and motor vehicles) or chapter 112 (watercraft) has been assessed.
 - (8) A facility that stores spent nuclear fuel, as defined under 22 M.R.S. § 673(18), or radioactive waste classified by the United States Nuclear Regulatory Commission as greater-than-Class C waste.
- C. Property otherwise exempt from taxation. Property that is exempt from the property tax under another provision of law is not eligible for the BETR program. This includes, but is not limited to, the following:
- (1) Public property exempt pursuant to 36 M.R.S. § 651.
 - (2) Property of Institutions and Organizations exempt pursuant to 36 M.R.S. § 652, including,

but not limited to:

- a. Benevolent and charitable organizations;
 - b. Literary and scientific institutions;
 - c. American Legion, Veterans of Foreign Wars, American Veterans, Sons of Union Veterans of the Civil War, Disabled American Veterans, and Navy Clubs of the U.S.A.;
 - d. Chambers of Commerce and Boards of Trade;
 - e. Houses of Religious Worship;
 - f. Fraternal organizations, except college fraternities; and
 - g. Hospitals, health maintenance organizations, and blood banks.
- (3) Property leased to public schools. See 20-A M.R.S. § 4001(3)(C).
 - (4) Personal property exempt pursuant to 36 M.R.S. § 655.
 - (5) Property exempt pursuant to 36 M.R.S. § 656.
 - (6) Property exempt pursuant to the BETE program under 36 M.R.S. §§ 691 – 700-B. For more information on the BETE program, see Bulletin No. 28 – Business Equipment Tax Exemption.

6. Application

Persons seeking reimbursement under the BETR program must file an annual application, first with the assessor of the municipality where the property is located, then with MRS. Applicants in the unorganized territory must file an annual application with MRS. The steps in the application process are:

- A. Application. First, the applicant must submit a list of property subject to tax that the applicant believes is eligible for reimbursement to the assessor of the municipality where the property is located (or to MRS for applicants in the unorganized territory). The list must include, for each item: the original cost, date placed in service, and whether the property was acquired new or used.
- B. Assessor. Next, the municipal assessor must respond to the applicant's list with the assessed value of each item and the tax assessed by the date of the first tax bill or within 60 days of the applicant's request, whichever is later.
- C. MRS. Finally, the applicant must submit the information from steps A and B, including the

amount of tax paid on the eligible property during the previous calendar year and proof of payment to MRS. The applicant must submit the reimbursement request to MRS between August 1 and December 31 in the year following the calendar year in which the tax payments were made. MRS may, for good cause, extend the filing deadline by no more than 60 days. If the applicant requests reimbursement for an amount different than the associated tax reported by the municipal assessor, the applicant must include an explanation of the difference. If the municipal assessor does not provide the assessed value and tax assessed on the eligible property, the applicant may submit the incomplete application with an explanation to MRS.

Applications must be made on forms either provided by or approved by MRS. Applications for the BETR program are available at www.maine.gov/revenue/tax-return-forms/property-tax, or may be available through an applicant's municipality. Applicants in the unorganized territory can submit for reimbursement online at www.revenue.maine.gov.

7. Reimbursement

If an applicant qualifies for the BETR program, MRS will reimburse the applicant within 90 days from receipt of a complete and timely application. The percentage of property taxes reimbursed is based on the number of years the property has been subject to reimbursement. Reimbursement for the first 12 years that the property is included in the application is 100%. After 12 years, the reimbursement percentage reduces annually until it reaches 50%. The reimbursement schedule is:

12 years or less	100%
13 years	75%
14 years	70%
15 years	65%
16 years	60%
17 years	55%
18 years or more	50%

There may also be limitations to reimbursements in certain circumstances.

- A. Outstanding personal property tax debt. If an applicant qualifies for reimbursement but owes \$10,000 or more in personal property tax to a single municipality or the unorganized territory, MRS will withhold that reimbursement until the applicant pays the outstanding tax. The municipal tax collector must notify MRS of any outstanding personal property tax debt of \$10,000 or more between July 1 and July 15 of the year in which reimbursement will be requested. Within 10 days of the notification to MRS, the municipal tax collector must also notify the applicant that reimbursement may be suspended unless the past due taxes are paid. If the applicant does not pay the outstanding tax by the end of the application period, the reimbursement for that year is forfeited.
- B. Subsequent changes. If, after the submission of an application for reimbursement, the applicant learns of a reduction in property tax due to abatement or any other reason, the applicant must file an amended application with MRS within 60 days of the reduction. If the applicant has already received a reimbursement, the portion of the reimbursement relating to the reduction

must be returned to MRS within 60 days of the reduction. A supplemental tax paid after the application date may be included in the following year's reimbursement claim.

- C. Successor-in-interest. Only the owner of a business as of August 1 of the application year is eligible for reimbursement. If a business is sold before August 1 of a claim year, the new owner may be eligible for reimbursement of taxes paid during the previous calendar year, even if the tax was assessed against the previous owner and even if the previous owner paid the taxes.
- D. Tax increment financing. The reimbursement for property placed in service after April 1, 2007 (generally retail property, see Section 4), and property for which reimbursement has been claimed for more than 12 years may be limited if the property is part of a tax increment financing ("TIF") district. If the owner of such property receives reimbursement of taxes on the property through a TIF credit enhancement agreement, the reimbursement issued under the BETR program is limited to the actual taxes paid less the TIF reimbursement received with respect to the eligible property.
- E. Payments to a lessor. When a lessee pays property taxes to a lessor and the lessor receives reimbursement under the BETR program for those taxes, the lessor must forward the reimbursement to the lessee.
- F. Cessation of operations. When a business has permanently ceased all productive operations, reimbursement may not be allowed. Reimbursement will be denied if an applicant has ceased all productive operations on April 1 of the year taxes are assessed and if there have been no productive operations for at least 12 months prior to the date of the application for reimbursement. Reimbursement will be allowed, however, if the owner of a business that has ceased all productive operations has publicly advertised that the facility is for sale or lease and has made a good faith effort to market and sell or lease the facility within that 12-month period.

8. Appeals

An applicant denied reimbursement or receiving a reduced reimbursement from MRS may appeal that decision through the reconsideration process under 36 M.R.S. § 151. The applicant must request reconsideration from MRS, in writing, within 60 days of receipt of the notice of denial/reduction. Reconsideration decisions by MRS are subject to independent review by either the Maine Board of Tax Appeals (if the amount in controversy is between \$1,000 and \$500,000) or the Maine Superior Court (regardless of the amount in controversy). For additional information, see 36 M.R.S. §§ 151 and 151-D.

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