



Assessor's Office
Brent Martin, Assessor

Dear Business Owner:

The State of Maine has a property tax **exemption** program for certain non-retail businesses called the Business Equipment Tax Exemption (BETE) program. This exemption is only for new equipment purchased since April 1, 2007. The exemption is limited where equipment previously qualified for the Business Equipment Reimbursement (BETR) program. Included in this mailing are application forms, instructions, and an informational flyer for the program. The application must be filed by May 1 of each year to qualify for exemption. The application must include all items listed last year as well as any new items. **Items eligible for the BETE program are not eligible for reimbursement under the BETR program , even if the BETE program is not utilized.**

Personal property placed in service after April 1, 1995 may still qualify for reimbursement from the State of Maine through the BETR program. Please call and we would be pleased to discuss this program with you. You may find additional information on the BETR program at Maine Revenue Services, Property Tax Division, PO Box 9106, Augusta, ME 04332 or at the following link: <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs> .

It should be noted that, effective November 1, 2017, the purchase of services is removed from the definition of retail sales activity and retail sales facility for purposes of determining the eligibility of business equipment for the BETE program. This means eligible equipment for businesses that provide services may now be included in the BETE program.

Please call or email the Assessor's Office at (207) 767-7604 or personalproperty@southportland.gov with questions on either of these programs or if you need assistance in completing the forms.

Respectfully,

Brent Martin, CMA-4
Assessor

Maine Business Equipment Tax Exemption (BETE) Program

➤ **The Business Equipment Tax Exemption (BETE) program goes into effect April 1, 2008**

The exemption applies to qualifying equipment first placed in service after April 1, 2007 for qualifying businesses.

➤ **Does my business qualify for the exemption (BETE) program?**

Most businesses not engaged in retail sales will qualify for BETE. Retail sales businesses are specifically excluded from BETE. A retail sales activity includes the selection, purchase or rental of goods in a structure used to serve customers who are physically present to choose, purchase, or rent goods. Businesses excluded from the Business Equipment Tax Reimbursement Program (BETR) such as utilities and communication businesses including paging, cell phone and cable TV are also excluded from BETE.

Maine Revenue Services cites the following examples of non-retail business whose property under most circumstances will qualify for a Business Equipment Tax Exemption:

Accounting firms
Computer consultants
Industrial

Law firms
Engineering firms
Manufacturing

Medical laboratories
Insurance companies
Banks

It should be noted that effective November 1, 2017, the purchase of services is removed from the definition of retail sales activity and retail sales facility for purposes of determining the eligibility of business equipment for the BETE program. This means that businesses that provide services are no longer excluded from the BETE program and may apply for BETE for eligible equipment.

➤ **Will all my equipment qualify for exemption?**

If your business qualifies for exemption only equipment purchased after April 1, 2007 will qualify for exemption. Certain other equipment that did not qualify for BETR also will not qualify for exemption. Examples of those items include office furniture, lamps and lighting fixtures, gambling devices and improvements to real estate that serve only the building, such as heating and cooling systems.

➤ **Must I apply for exemption each year?**

Yes, you must apply for exemption each year or the equipment will be taxed and will not qualify for BETR that year. Most businesses will continue to pay some personal property tax on non-qualifying equipment.

➤ **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 are enclosed, will be available from the Assessor's Office and are available at Maine.gov.

➤ **The Business Equipment Tax Reimbursement (BETR) program remains in effect.**

Most personal property that is taxed locally will remain eligible for partial reimbursement from the State of Maine's Business Equipment Tax Reimbursement (BETR) program. Additionally, certain new retail and service business property which does not qualify for BETE may be reimbursable under the BETR program. Forms and other information about BETR can be found here:

<https://www.maine.gov/revenue/tax-return-forms/property-tax>

For More Information:

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Email: [personalproperty @southportland. gov](mailto:personalproperty@southportland.gov)