



No.	A-L-0001
Effective Date	10/02
Revision No.	02
Last Revision Date	n/a
Page 1 of 2	

GUIDELINES FOR FILING TAX EXEMPTION CERTIFICATIONS

Title 36, Maine Revised Statutes, Annotated, Sections 1760, 655, and 656 provide tax exemptions for certain air pollution control equipment certified by the Commissioner of the Department of Environmental Protection. The exemptions are for sales and use tax, and where applicable, personal property tax.

General

- ❖ It is the responsibility of the applicant to provide evidence for the record needed to support an application.
- ❖ Separate applications must be made for air and water equipment even if they are part of the same project.

Fees

- ❖ Maine law, 38 M.R.S.A. §352(3), allows an application to be subject to a so-called “special fee” if it is determined that “by virtue of its size, uniqueness, complexity or other relevant factors, is likely to require significantly more costs than those listed” in our fee schedule. This determination is made at the time the application is accepted for processing. If an application is made subject to the special fee, all staff time and costs involved in processing the application will be calculated on a quarterly basis and billed to the applicant so that the processing fee reflects actual cost to the Department. Otherwise, the amount published on DEP’s fee schedule applies.

Equipment Details

- ❖ Each specific and distinguishable piece of equipment that the applicant believes is part of the pollution control facility must be itemized. As such, applications for pollution control systems that fail to list individual pieces of equipment may be returned as incomplete. This does not require listing each nut and bolt associated with the equipment, but does require division of the stated facility into logical parts that are easily identifiable and can thereby be analyzed appropriately.
- ❖ Any essential connection between specific and distinguishable equipment must be described to make any interdependence among individual parts fully understood.
- ❖ The primary purpose of the equipment for which certification is sought must be to reduce, eliminate, dispose or control industrial air pollutants. Tax exempt status can not be granted for any air pollution control facility, with such a primary purpose, that is “...designed, constructed or installed solely for the benefit of the person for whom installed or the personnel of that person.” This exclusion includes air conditioners, dust collectors, fans, etc.



No.	A-L-0001
Effective Date	10/02
Revision No.	02
Last Revision Date	n/a
Page 2 of 2	

- ❖ Multiple pieces of pollution control equipment may be included in one tax certification application, however, they will be considered for exemption separately. Construction drawings or schematics must be submitted for each facility or piece of equipment for which certification is requested. A plot plan illustrating the location and relation of the equipment must also be submitted.
- ❖ For each piece of equipment for which exemption is requested, a detailed description of all the functions (pollution control, production, etc.) it serves must be provided.
- ❖ For each piece of equipment for which exemption is sought, a detailed description of all reasons why the equipment was installed (pollution reduction, cost savings, production efficiency, etc.) must be provided.
- ❖ Where exemption is sought for pollution control equipment which is used to control fugitive emissions within the perimeter of an industrial facility, the applicant must provide evidence that, left uncontrolled, the fugitive emissions would be carried outside the industrial facility's fence-line.
- ❖ Capital costs must be itemized consistent with the equipment being applied for, i.e. list the capital cost separately for each separate piece of equipment for which exemption is sought. Be as specific as practical. The Maine Revenue Service will determine the exact dollar value in an audit at a later date, as will the tax assessor of your municipality in the case of property tax.

Process

- ❖ A draft order will be provided to the applicant for review prior to final action. Once the Department takes final action, you will be notified in writing of any decision and provided with a copy of your rights of appeal. Copies of the decision will be sent to the Maine Revenue Service and the local tax Assessor if the application involves property tax.