



GUIDANCE FOR FILING TAX EXEMPTION CERTIFICATIONS

Title 36, Maine Revised Statutes, Sections 1760, 655, and 656 provide tax exemptions for certain air and water pollution control facilities 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

- ❖ Air and water facilities may be combined in one application if they are part of the same project.
- ❖ It is the responsibility of the applicant to provide evidence for the record sufficient to support positive findings regarding each piece of equipment.

Fees

- ❖ The Department publishes an annual schedule of application fees which is available on the Department's web site at: <http://www.maine.gov/dep/feesched.pdf>. Fees for air and water pollution control facilities are assessed separately, though multiple pieces of equipment may be covered by a single air or water application fee.

Application Requirements

- ❖ Each specific and distinguishable piece of equipment that the applicant believes is part of the pollution control facility must be itemized. 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 clear.
- ❖ The primary purpose of the equipment for which certification is sought must be to reduce, control, eliminate, or dispose of pollutants.
- ❖ Tax exempt status cannot 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.
- ❖ For property tax exemption, water pollution control facilities must demonstrate that the facility has the capacity to handle at least 4000 gallons of waste per day.
- ❖ 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 air 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.

Application Process

- ❖ The applicant must publish a public notice in a newspaper of general circulation in the area of the facility, using the format supplied in this packet. If there are interested persons who have requested to be notified of applications related to the facility they should also be mailed a copy of the notice. A copy of the public notice, and a certified statement that public notice has been made, should be attached to your application.
- ❖ A copy of the completed application must be filed with the city or town clerk of the municipality in which the facility is located. In the case of a plantation or unorganized territory, file with the plantation or county clerk.
- ❖ Send the completed application form with all supporting documents and fees to:
 - Department of Environmental Protection
 - Office of the Commissioner
 - 17 State House Station
 - Augusta, Maine 04333-0017
- ❖ After the Department has received your application, you will be notified within 15 working days whether the application is complete and acceptable for processing, the name of the project manager and the expected date of decision.
- ❖ 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 the 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.