

# Maine Business Equipment Tax Exemption (BETE) Program

## ➤ The Business Equipment Tax Exemption (BETE) program goes into effect April 1

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 or services in a structure used to serve customers who are physically present to choose, purchase, or rent goods or services. 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 Service lists the following examples of non-retail business whose property, under most circumstances, will qualify for BETE (Exemption):

Accounting firms	Law firms	Medical laboratories
Computer consultants	Engineering firms	Insurance companies
Industrial	Manufacturing	Banks

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

Hair salons/Barber shops	Laundromats	Automotive repair shops
Restaurants	Movie theaters	Hotels, motels
Car dealers	Retail stores	Health clubs

## ➤ Will all my equipment qualify for exemption?

If your business qualifies for exemption, only equipment purchased after April 1, 2007 will qualify. Certain other equipment that did not qualify for BETR will also not qualify for exemption. Examples of those items include: office furniture, lamps and lighting fixtures, gambling devices and improvements to real estate that serves 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. The forms enclosed are available from the Assessor's Office and at [Maine.gov](http://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.

### For More Information:

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