

**A Quick Comparison of Maine's Current-Use Property Tax Programs:  
Farmland, Open Space, Tree Growth and Working Waterfront**

Key questions for you to consider when comparing Maine's four current-use property tax programs

- *How do I currently use my land? What is the land producing?*
- *What are my land management and ownership goals and objectives for the next 5 years?*
- *What are my land management plans for the next 10 - 20 years?*

Please review the enclosed chart before going on line to obtain Tax Bulletins and Application Forms

<http://www.maine.gov/revenue/forms/property/appsformspubs.htm>

Please contact the following agency people to address your specific questions about each program

|                     |   |                                    |
|---------------------|---|------------------------------------|
| <b>ALL PROGRAMS</b> | <b>Jeff Kendall, Appraiser, Property Tax Division</b><br><b>Maine Revenue Service 287- 2013 or 287- 4786</b>                                      | <b>Jeffery.P.Kendall@maine.gov</b> |
| <b>FARMLAND</b>     | <b>Stephanie Gilbert, Farmland Protection Specialist</b><br><b>Maine Department of Agriculture, Food &amp; Rural Resources</b><br><b>287-7520</b> | <b>Stephanie.Gilbert@maine.gov</b> |
| <b>TREE GROWTH</b>  | <b>Andy Shultz, Landowner Outreach Forester</b><br><b>Maine Forest Service 287-8430</b>   | <b>Andrew.H.Shultz@maine.gov</b>   |

| <b>CURRENT USE PROGRAM</b>               | <b>Farmland F Tax Bulletin #20</b>   | <b>Open Space OS Tax Bulletin #21</b>   | <b>Tree Growth TG Tax Bulletin #19</b>  | <b>Working Waterfront WW Frequently Asked ?s</b>  |
|--|--|---|---|---|
| <b>Purpose</b>                           | To encourage farmland owners to maintain and improve land that is used for farming, agricultural or horticultural activities.  | To encourage landowners of open, undeveloped land to prevent or restrict its use from development by conserving scenic resources, enhancing public recreation, promoting game management or preserving wildlife or wildlife habitat.  | To encourage forest landowners to retain and improve their forestlands; to promote better forest management; and to support the overall forest products industry in Maine.  | To encourage landowners of land located in the intertidal zone to maintain the primary use for that land to support or provide access to the conduct of commercial fishing activities.  |
| <b>Types of Land Cover</b>               | Mixed – annual and perennial crops, pasture, orchards, blueberries, wetlands, woodland and wasteland.  | Undeveloped acres – open and/or wooded land that is not intended to be developed for commercial or residential purposes.  | Forested land used primarily for the growing of trees used to produce commercial forest products.   | Land located in the intertidal zone used primarily to support or provide access to the conduct of commercial fishing activities   |
| <b>Length of Time</b>                    | Permanent: May be withdrawn with payment of a penalty; must be withdrawn if used for non-conforming purposes.  | Permanent: May be withdrawn with payment of a penalty; must be withdrawn if used for non-conforming purposes.   | Permanent: May be withdrawn with payment of a penalty; must be withdrawn if used for non-conforming purposes.   | Permanent: May be withdrawn with payment of a penalty; must be withdrawn if used for non-conforming purposes.   |
| <b>Legally</b>                           | Voluntary enrollment by landowner. The Town sets the value based upon value of the land as farmland only. State published per acre values recommended but not required.  | Voluntary enrollment by landowner. The Town sets the valuation based upon comparable sales statutorily prescribed percentage reduction from full value.   | Voluntary enrollment by landowner. The State tax Assessor determines the 100% valuation per acre for softwood, hardwood, and mixed wood cover types by region each year. Areas within a parcel other than classified forest acres must be valued on a fair market value basis.  | Voluntary enrollment by landowner. Town sets the valuation based upon eliminating the excess value associated with proximity to water <u>or</u> by defaulting to the statutorily prescribed percentage reduction from full value.   |
| <b>Tax Implications</b>                  | Landowner's proportionate tax burden is reduced.   | Landowner's proportionate tax burden is reduced.  | Landowner's proportionate tax burden is reduced.  | Landowner's proportionate tax burden is reduced.  |
| <b>Municipal Benefit</b>                 | Avoids costs associated with development; state subsidies are positively impacted.   | Avoids costs associated with development; state subsidies are positively impacted.  | Avoids costs associated with development; state subsidies are positively impacted; direct subsidy available from the State.   | Avoids costs associated with development; state subsidies are positively impacted.  |
| <b>Parcel Size</b>                       | 5 contiguous acre minimum.   | No minimum acreage: *Minimum and setback areas for non-conforming uses are excluded.  | Minimum 10 forested acres devoted primarily to growth and harvest of commercial forest products.  | No minimum acreage: *Minimum and setback areas for non-conforming uses are excluded.  |
| <b>Landowner Requirements</b>            | <p>Application, detailed map of the parcel &amp; gross income report* must be given to the assessor by April 1.</p> <p>Must report annual gross income* of \$2,000 in 1 of 2, or 3 of 5 years preceding application.</p> <p>*An accounting of the value of commodities produced and sold or for consumed by farm household.</p> <p>* If 2-year Provisional Classification, must file the "Income Report" in the end of the second year.</p> <p>Must inform assessor of any changes in the use of the parcel.</p> | <p>Application with a detailed map of the parcel) must be given to the assessor by April 1.</p> <p>"Ordinary" @ 20%: none</p> <p>"Permanently Protected" (up to 50% reduction in value): recorded enforceable deed restrictions.</p> <p>"Permanently Protected and Forever Wild" (up to 70% reduction in value): recorded deed restrictions.</p> <p>"Public Access" (up to additional 25% reduction in value): evidence of allowance of at least limited public access. Must inform assessor of any changes in the use of the parcel.</p> | <p>Must have written Forest Management and Harvest Plan prepared/approved by a Maine Licensed Forester.</p> <p>Landowner must follow the recommendations in the Plan, update the Plan at least once every 10 years, and is required to re-certify compliance with the plan to the assessing jurisdiction every 10 years.</p> <p>Must inform assessor of any changes in the use of the parcel.</p> | <p>Application &amp; a detailed map of the parcel must be given to the assessor by April 1.</p> <p>WW land used primarily(50%) to support or provide access to commercial fishing 20% reduction in value</p> <p>WW land used predominantly(90%) to support or provide access to commercial fishing 30% reduction in value</p> <p>WW land that is permanently protected from a change in use via enforceable deed restriction is entitled to an additional 30% reduction in value</p> <p>Must inform assessor of any changes in the use of the parcel.</p> |
| <b>Planning ahead for Future Changes</b> | Consideration should be given to exclude from classification those acres intended to be used for future non-complying purposes.  | Consideration should be given to exclude from classification those acres intended to be used for future non-complying purposes.   | Consideration should be given to exclude from classification those acres intended to be used for future non-complying purposes.   | Consideration should be given to exclude from classification those acres intended to be used for future non-complying purposes.   |
| <b>Penalty for Withdrawal</b>            | <p>Recoup of taxes lost for the past five (5) years. For each year, the assessor calculates the taxes that would have been paid if the land were not enrolled in current use, then subtracts the amount of tax that was paid* then adds applicable interest*.</p> <p>* Each year, each town has its own annual mil rate &amp; interest rate.</p>   | <p>30% of the difference between the 100% OS valuation and the fair market value.</p> <p>If classed more than 10 years then the following percentages apply:<br/> 11 years = 29%...<br/> 12 years = 28%...<br/> 13 years = 27 %, etc.<br/> &gt; 20 years or more 20%</p>  | <p>30% of the difference between the 100% TG valuation and the fair market value.</p> <p>If classed more than 10 years then the following percentages apply:<br/> 11 years = 29%...<br/> 12 years = 28%...<br/> 13 years = 27 %, etc.<br/> &gt; 20 years or more 20%</p>  | <p>30% of the difference between the 100% WW valuation and the fair market value.</p> <p>If classed more than 10 years then the following percentages apply:<br/> 11 years = 29%...<br/> 12 years = 28%...<br/> 13 years = 27 %, etc.<br/> &gt; 20 years or more 20%</p>  |