

# Air and Water Pollution Control Facility Tax Exemptions: Don't Leave Money on the Table!



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With the economy improving, Maine has experienced a spurt of new or expanded commercial and industrial developments. We are reminding the developers and owners of these projects that Maine law provides an opportunity to obtain tax exemptions for air and water pollution control facilities that often are integral parts of these developments. These exemptions can result in hundreds of thousands of dollars in savings over many years and an improved bottom line for businesses. In appropriate circumstances, there also may be opportunities to obtain refunds for state sales and use taxes previously paid for pollution control facilities.

Title 36 MRS sections 1760, 655, and 656 provide tax exemptions for air and water pollution control facilities certified by the Commissioner of the Department of Environmental Protection. The exemptions are from Maine sales and use tax, and, where applicable, from property tax. Anyone seeking such an exemption must apply to the Commissioner. Importantly, in order to qualify for these exemptions, the primary purpose of the “system or . . . treatment works, appliance, equipment, machinery, installation or structures installed, acquired, or placed in operation” must be to reduce, control, or eliminate (a) air pollutants, or (b) water pollution caused by industrial or other waste. Providing credible and well documented evidence to the DEP on the primary purpose of the facility for which certification is sought is critical to a successful outcome. Among the types of facilities that have

received certification, and the resulting tax exemption, are:

<b>Air Pollution Control</b>	<b>Water Pollution Control</b>
Fuel conveyor covers	Oil-water separators
Ash conveyor covers	Sludge dewatering systems
SoLo NOx technology	Erosion control and storm water systems
Low NOx burners	Sedimentation basins
Dust collection equipment	Landfill liners and leachate collection systems
Ammonia injection systems	Oil spill equipment
Ash handling and containment	Spray irrigation systems
Reagent costs	Ash storage bunkers
Lime kiln scrubbers	Outfall diffusers
Electrostatic precipitators	Primary and secondary wastewater systems
Baghouses	Waste acid neutralization

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