

MAINE STATE LEGISLATURE

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N I N E T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 1425

H. P. 1231

House of Representatives, April 7, 1953

Reported by Mr. Sanford from the Committee on Taxation and ordered printed under Joint Rules No. 10.

HARVEY R. PEASE, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-THREE

**AN ACT to Clarify and Amend the Sales and Use Tax Law as Respects
Manufacturers.**

Be it enacted by the People of the State of Maine, as follows :

Sec. 1. R. S., c. 14-A, § 2, amended. The 4th sentence of the definition of "retail sale" or "sale at retail" in section 2 of chapter 14-A of the revised statutes, as enacted by section 1 of chapter 250 of the public laws of 1951, is hereby amended to read as follows :

"Retail sale" and "sale at retail" do not include the sale of tangible personal property which becomes an ingredient or component part of, or which is consumed or destroyed or loses its identity in the manufacture of tangible personal property for later sale by the purchaser, ~~but shall include fuel and electricity~~ meaning and intending to include within the definition of retail sale and sale at retail the sale of wet felts, dry felts and wires used in the manufacture of paper; molding sand, refractories, fire clay, steel shot and grit, crucibles and snagging wheels used in foundries; lubricants for machinery; small tools; light bulbs, brooms, fire extinguishers; sewing machine needles; lathes and their component parts including cutting edges; fuel and electricity, including oxygen used to aid combustion; conveyor belts, and mill supplies; and meaning and intending to exclude from said definition bleaches used in textile mills; logs, sulphur and sulphite used in

paper manufacture; and scrap iron and core sand used in foundries. The above examples are partial and intended to facilitate understanding of the general principle above set forth. The exemption relates to the process of manufacture, not to the procurement of materials or the storage or transportation of the final product, administration or other functions which facilitate or enable manufacture.'

Sec. 2. R. S., c. 14-A, § 2, amended. The definition of "retail sale" or "sale at retail" in section 2 of chapter 14-A of the revised statutes, as enacted by section 1 of chapter 250 of the public laws of 1951, is hereby amended by adding at the end thereof a new paragraph, to read as follows:

'Any exclusion from "retail sale" or "sale at retail" in this definition shall be construed as an exemption.'