

# MAINE STATE LEGISLATURE

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August 28, 1974

Thomas S. Squiers, Director

Sales and Use Tax Division

John M. Dudley, Assistant Attorney  
General  
Brewer Development Corporation

Bureau of Taxation

In your memo of August 8, 1974, you inquire if Brewer Development Corporation would be exempt from the Maine Sales and Use Tax under Title 10 M.R.S.A. Sections 671-679.

Title 36 M.R.S.A. Section 1760 lists the exemptions under the Sales and Use Tax statute. Paragraph 2 reads as follows:

"Sales to the State or any political subdivision, or to the Federal Government, or to any unincorporated agency or instrumentality of either of them or to any incorporated agency or instrumentality of them wholly owned by them."

Is the Brewer Development Corporation an incorporated instrumentality of the municipality of Brewer?


Title 10 M.R.S.A. Section 672 as amended reads as follows:

"A municipality shall be authorized to create a local development corporation for the purposes of carrying out the intent of this chapter by majority vote of the municipal officers, and a majority of the municipal officers shall be sufficient to form such a local development corporation notwithstanding any provision of Title 13, Chapter 81 to the contrary."

The City of Brewer is a municipality and a political subdivision of the State. As such, it is authorized by statute to create a local development corporation for certain purposes.

From available information Brewer Development Corporation was created by majority vote of the municipal officers of Brewer, has been incorporated and is wholly owned by the municipality of Brewer.

In my opinion Brewer Development Corporation is an incorporated instrumentality of the Municipality of Brewer and as such is exempt from the Sales and Use Tax.

  
Assistant Attorney General

JMD:mb