

MAINE STATE LEGISLATURE

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New Draft of: S. P. 14, L. D. 14

ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1618

S. P. 565

In Senate, May 24, 1961

Reported by Senator Wyman of Washington and Senator Lovell of York from Committees on Taxation and Industrial and Recreational Development. Printed under Joint Rules No. 10.

CHESTER T. WINSLOW, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Exempting Certain Machinery from Sales and Use Tax.

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

Sec. 1. R. S., c. 17, §§ 15-A - 15-B, additional. Chapter 17 of the Revised Statutes is amended by adding 2 new sections, to be numbered 15-A and 15-B, to read as follows:

'Sec. 15-A. Deferred payment of use tax on machinery. Upon written application by the taxpayer, the Tax Assessor may extend for a period not to exceed 3 years the time for payment of use tax on machinery and equipment purchased and used by:

I. New plants. Persons establishing new manufacturing or processing plants in this State; and

II. Existing plants. Persons operating such plants already established in Maine, provided that such machinery and equipment so purchased results in an expansion of the existing plant rather than replacement of existing machinery and equipment, and will increase the number on the payrolls by at least 10% but not less than 25 permanent employees.

This section applies only to such machinery and equipment as is used in the process of manufacturing tangible personal property for later sale, the purchase of which is voluntarily reported by the taxpayer in accordance with section 14. It shall apply only to tax of \$300 or more on purchases from any individual seller.

A taxpayer requesting such extension of time for payment shall furnish a bond written by a surety company qualified to do business in this State sufficient to secure payment of the unpaid balance of such tax.

When time for payment is so extended, unless a shorter period is agreed upon, such tax shall be payable $\frac{1}{3}$ at the expiration of one year from the date of purchase, $\frac{1}{3}$ at the expiration of 2 years therefrom, and $\frac{1}{3}$ at the expiration of 3 years therefrom.

Interest shall be charged in accordance with section 15 on any taxes the time for payment of which is extended under this section.

Sec. 15-B. Deferred payment of sales tax on machinery. Upon written application by the taxpayer, the Tax Assessor may refund to the purchaser the sales tax paid in this State on the purchase of machinery and equipment purchased and used by:

I. New plants. Persons establishing new manufacturing or processing plants in this State; and

II. Existing plants. Persons operating such plants already established in Maine, provided that such machinery and equipment so purchased results in an expansion of the existing plant rather than replacement of existing machinery and equipment, and will increase the number on the payrolls by at least 10% but not less than 25 permanent employees.

This section applies only to such machinery and equipment as is used in the process of manufacturing tangible personal property for later sale when the sales tax paid to any individual seller amounts to at least \$300.

The refunds so made shall be charged to current sales tax revenue and shall be repaid by the taxpayer in a period not to exceed 3 years from the date the machinery and equipment was purchased.

A taxpayer requesting such a refund shall furnish a bond written by a surety company qualified to do business in the State sufficient to secure payment of the tax so refunded.

When repayment is made, unless a shorter period is agreed upon, such tax shall be payable $\frac{1}{3}$ at the expiration of one year from the date of the purchase, $\frac{1}{3}$ at the expiration of 2 years therefrom, and $\frac{1}{3}$ at the expiration of 3 years therefrom.

Interest shall be charged in accordance with section 15 on any taxes, the time for payment of which is extended under this section.'