

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2158

S. P. 746

In Senate, January 2, 1974

Referred to the Committee on Taxation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Richardson of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT Exempting Machinery and Equipment Used for
Manufacturing and Research from Sales and Use Tax.**

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

Sec. 1. R. S., T. 36, § 1760, sub-§ 31, repealed and replaced. Subsection 31 of section 1760 of Title 36 of the Revised Statutes, as enacted by section 1 of chapter 580 of the public laws and by chapter 148 of the private and special laws, both of 1973, is repealed and the following enacted in place thereof:

31, Machinery and equipment. Sales of machinery and equipment or parts therefor for use by the purchaser directly and primarily in the production by manufacturing, processing, assembling or fabricating and packaging of tangible personal property, which property is intended to be sold or leased ultimately for final use or consumption.

Sec. 2. R. S., T. 36, § 1760, sub-§ 32, amended. The first sentence of subsection 32 of section 1760 of Title 36 of the Revised Statutes, as enacted by section 1 of chapter 580 of the public laws of 1973, is amended to read as follows:

Sales of ~~new~~ machinery and equipment for use by the purchaser directly and exclusively in research and development in the experimental and laboratory sense.

FISCAL NOTE

It is estimated that the loss of revenue to the State will not exceed \$500,000 for a full fiscal year.

STATEMENT OF FACT

The purpose of this bill is to clarify the law regarding exemption of machinery and equipment used for manufacturing and research from sales and use tax.