

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 672

H. P. 537

House of Representatives, February 18, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Cox of Brewer.

Cosponsor: Mr. Norris of Brewer.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Definition of Retail Sale under Sales and Use Tax Law.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, tangible personal property which is consumed or destroyed or loses its identity in the manufacture of tangible property for later sale is exempt from the sales tax; and

Whereas, electricity used in the electrolytic manufacturing process and which loses its identity in the manufacture of tangible property is not exempt from the sales tax; and

Whereas, the imposition of the sales tax upon electricity used in the electrolytic process is discriminatory and burdensome to industry and the consumer; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

36 MRSA § 1752, sub-§ II, 5th sentence, is amended to read:

“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 per-

sonal property for later sale but shall include fuel and electricity but shall not include electricity separately metered and consumed in any electrolytic process for the manufacture of tangible personal property for later sale.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

FISCAL NOTE

It is estimated that the loss of revenue to the General Fund will amount to \$115,000 in 1975-76 and \$125,000 in 1976-77.

STATEMENT OF FACT

The purpose of this bill is to exclude in the definition of retail sale under the sales tax law certain electricity used in the manufacture of tangible personal property.