

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1276

H. P. 1008

House of Representatives, March 20, 1975

On Motion of Mrs. Boudreau of Portland, referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Burns of Anson.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Trade-in Credit on All Sales or Exchanges of
Personal Property.

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

36 MRSA § 1765, as reenacted by P&SL 1969, c. 154, Sec. G, § 1, is repealed and the following enacted in place thereof:

§ 1765. Purchasing credit for all sales tax credit for trade-ins for all personal property

The tax imposed by chapters 211 to 225 shall in all sales transactions be levied only upon the difference between the sales price of the personal property purchased and the sales price of the article of personal property taken in trade, except for transactions between dealers involving exchange of personal property from inventory.

FISCAL NOTE

It is anticipated that this bill would result in a loss of revenue of no more than \$150,000 for the next fiscal year to the State of Maine.

STATEMENT OF FACT

At the present time, Maine recognizes only a credit for the trading in of a motor vehicle or farm tractor as a sales tax exemption. Trade-ins are, how-

ever, an established way of doing business in lines other than automobiles and farm tractors. Many Maine businessmen whose business habits include trade-in credit for used articles of personal property can demonstrate loss of sales because of the Maine sales tax. Credit given for trade-ins should not be selective but should be uniformly applied to all businesses.