

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1373

H. P. 1095

House of Representatives, March 24, 1975

On Motion of Mr. Drigotas of Auburn, referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EWDIN H. PERT, Clerk

Presented by Mr. Stubbs of Hallowell.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Exempt Certain Used and Reconditioned Machinery and Equipment from the Sales Tax.

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

36 MRSA § 1760, sub-§ 31, as last amended by PL 1973, c. 794, is repealed and the following enacted in place thereof:

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

FISCAL NOTE

It is estimated that this bill would result in a loss of revenue of not more than \$300,000 for the next fiscal year to the State of Maine.

STATEMENT OF FACT

This bill adds a sales tax exemption for used and reconditioned machinery and equipment used in certain types of manufacturing and processing to the current sales tax exemption for new equipment. This added exemption will help create new jobs in Maine industry and eliminate the discrimination against small businesses which currently exists in the law. At present, large interstate corporations are the main beneficiaries of the sales tax exemption on new machinery and equipment.