

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1626

H. P. 1325

House of Representatives, April 2, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Farley of Biddeford.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

**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Sec. 1. 36 MRSA § 1760, sub-§ 31, as last amended by PL 1973, c. 794, is repealed and the following enacted in place thereof: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 as leased ultimately for final use or consumption.

Sec. 2. 36 MRSA § 1760, sub-§ 32, first sentence, as enacted by PL 1973, c. 580, § 1, is amended to read:

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 \$550,000 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.