

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 653

H. P. 538

House of Representatives, February 24, 1977

On motion of Mr. Carey of Waterville, referred to the Committee on Taxation. Sent up for concurrence and 1,800 copies ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Maxwell of Jay.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Provide for Exemption of Farm Supplies from the Sales Tax.

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

36 MRSA § 1760, sub-§ 37 is enacted to read:

36. New machinery, equipment and supplies in agricultural production. Sales of new machinery, equipment and supplies for use by the purchaser directly and primarily in agricultural production, including production of crops for human and animal consumption and production of livestock.

FISCAL NOTE

It is estimated that passage of this Act would result in a loss of revenue of \$1,000,000 for the first year of the biennium and of \$3,300,000 for the 2nd year of the biennium.

STATEMENT OF FACT

The purpose of this bill is to exempt new machinery, equipment and supplies used in agricultural production from the sales tax. At present, sales of new machinery and equipment used in the production of manufactured goods are exempt from the sales tax and this bill would provide the same exemption for new equipment and supplies used to produce human and animal food.