

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1614

H. P. 1405

House of Representatives, April 13, 1977

On Motion of Mr. Carey of Waterville, referred to Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Post of Owls Head.

Cosponsors: Mr. Greenlaw of Stonington and Mr. Perkins of Blue Hill.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Provide for a Sales Tax Rebate for Machinery and Equipment
used in Commercial Fishing.**

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

Sec. 1. 36 MRSA § 5102, sub-§§ 1-B and 1-C are enacted to read:

1-B. Commercial fishing. "Commercial fishing" means attempting to catch fish or any other marine animal with the intent of disposing of them for profit or by trade in commercial channels. The term does not include:

- A. Subsistence fishing for personal use;
- B. Sport fishing; or
- C. Charter boat fishing where the vessel is used for carrying sport fishermen to available fishing grounds.

1-C. Machinery and equipment used in commercial fishing.

"Machinery and equipment used in commercial fishing" means new or used watercraft used primarily for commercial fishing, nets, cables, tackle and related equipment necessary to the operation of the vessel for fishing purposes.

Sec. 2. 36 MRSA § 5127, as enacted by P&SL 1969, c. 154, § F, is repealed and the following enacted in its place:

§ 5127. Income tax credits

1. Credit for tax paid to another jurisdiction.

A. A resident individual shall be allowed a credit against the tax otherwise due under this Part, for the amount of any income tax imposed on

him for the taxable year by another state of the United States or a political subdivision thereof or the District of Columbia on income derived from sources therein and which is also subject to tax under this Part.

B. The credit provided under this section, shall not exceed the proportion of the tax otherwise due under this Part, that the amount of the taxpayer's adjusted gross income derived from sources in the other taxing jurisdiction bears to his entire adjusted gross income as modified by this Part.

2. Income tax credit for sales tax paid for machinery and equipment used primarily in commercial fishing. A resident shall be allowed a credit against the tax otherwise due under this Part, or an amount equal to sales or use tax paid for the taxable year for machinery and equipment purchased and used in commercial fishing.

This credit shall not reduce the tax otherwise due to less than zero and any unused credit shall lapse if not used in the year of purchase.

STATEMENT OF FACT

The State Tax Assessor already has authority to require such facts and information to be reported as he deems necessary to enforce the provisions of this Part. The State Tax Assessor would therefore have the authority to require fishermen to submit such invoices and depreciation schedules, etc., as he deems necessary.

Passage of this bill would result in a loss of revenue to the State of approximately \$560,000 for the first year of the biennium and \$750,000 for the 2nd year of the biennium.