

MAINE STATE LEGISLATURE

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L.D. 2184

(Filing No. H-1139)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "D" to H.P. 2216, L.D. 2184, Bill,

"AN ACT to Provide for Reform of the State Tax Laws."

Amend the Bill in section 1 by striking out the underlined word "year" in the 2nd line (first line in L.D.) of paragraph B of subsection 1 of that part designated "§1603." and inserting in its place the underlined word 'month'

Further amend the Bill by inserting after section 1 the following:

'Sec. 1-A. 36 MRSA §1760, sub-§9 is amended to read:

9. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and electricity, when bought for cooking and heating in homes, mobile homes, hotels and apartment houses, and other buildings designed both for human habitation and sleeping;'

Further amend the Bill in section 2 by inserting at the end of subsection 9-B, before the period, the following: ', with the exception of hotels and motels'

Further amend the Bill in section 2 by inserting at the end of subsection 9-C, before the period, the following: ', with the exception of hotels and motels'

Further amend the Bill by striking out all of the last paragraph of section 4 and inserting in its place the following:

'When one or more motor vehicles, farm tractors, boats, aircraft or self-propelled vehicles used to harvest lumber is traded in toward the sale price of another motor vehicle, farm tractor, boat, aircraft or self-propelled vehicle used to harvest lumber, the tax imposed by chapters 211 to 225 shall be levied only upon the difference between the sale price

of the purchased vehicle and the sale price of the vehicle or vehicles taken in trade, except for transactions between dealers involving exchange of the vehicles from inventory.'

Further amend the Bill in section 5 by striking out all of paragraph A of subsection 1 of that part designated "§2013." and inserting in its place the following:

'A. "Agricultural production" means commercial production of crops for human and animal consumption and production of livestock.'

Further amend the Bill in section 5 by striking out all of subparagraphs (1) and (2) of paragraph C of subsection 1 of that part designated "§2013." and inserting in their place the following:

'(1) New or used machinery and equipment for use by the purchaser directly and primarily in commercial agricultural production, including self-propelled vehicles, attachments and equipment for the production of field and orchard crops; new or used machinery and equipment used in production of milk and in animal husbandry and production of livestock, including poultry; or

(2) New or used watercraft used primarily for commercial fishing; and nets, traps, cables, tackle and related equipment necessary to the operation of a commercial fishing venture.'

Further amend the Bill in section 5 by striking out all of the first 2 paragraphs of subsection 2 of that part designated "§2013." and inserting in their place the following:

'2. Credit authorized. Any person, association of persons, firm or corporation who purchases depreciable machinery or equipment for use in commercial agricultural production or commercial fishing shall be refunded the amount of sales tax paid by him by presenting to the State Tax Assessor evidence that the machinery or equipment complies with the definitions of subsection 1.

Evidence required by the State Tax Assessor shall include, but not be limited to, a copy or copies of that portion of the purchaser's most recent filing under the Internal Revenue Code which indicates that the purchaser is in fact engaged in commercial agricultural production or commercial fishing and that the purchased machinery or equipment is depreciable for those purposes.'

Further amend the Bill by striking out all of the last paragraph of section 6 and inserting in its place the following:

'D. For the tax years beginning on or after January 1, 1978, an amount equal to the taxpayer's federal new jobs credit as determined under the laws of the United States.'

Further amend the Bill in section 8 by striking out all of the first paragraph of subsection 2 and inserting in its place the following:

'2. Subtractions. For tax years beginning on or after January 1, 1978, federal adjusted gross income shall be reduced by:'

Further amend the Bill by striking out all of the last paragraph of section 10 and inserting in its place the following:

'3. 5% of taxable income not in excess of \$25,000, plus 7% of the taxable income in excess of \$25,000 attributable on or after January 1, 1974, provided that taxable income, for purposes of this subsection, shall be reduced by the amount of the corporation's or association's federal new jobs credit for tax years beginning on or after January 1, 1978; and is reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.'

Statement of Fact

The purpose of this amendment is to make necessary technical corrections listed below for technical problems which inadvertently appear in the text of both the majority and minority reports. These changes are in keeping with the original intent of both reports and are considered necessary to remove any possible conflict and confusion in interpreting or administering the applicable tax provisions.

1. Title 36, section 1760, subsection 9 includes the words "mobile homes" so as to be consistent with subsections 9-B and 9-C;
2. Title 36, section 1760, subsections 9-B and 9-C include

the words "with the exception of hotels and motels" so that it is clear that the residential exemption for electricity and gas does not apply to hotels and motels;

3. Title 36, section 1765, reinserts "farm tractors" back into the trade-in section so it is clear that this trade-in credit has not been eliminated;

4. Title 36, section 2013, clarifies the intent of the bill that the sales tax refund applies to commercial farming equipment and makes more complete the description of commercial fishing equipment; and

5. Title 36, sections 5102, 5122 and 5205 clarify the intent of the bill that these sections apply to all tax years beginning on or after January 1, 1978.

This amendment also corrects the word "year" to a "month" in the homestead property tax rebate section relating to the definition of homestead renter in order to conform to the main definition of rebate claimant.

Filed by Mr. Carey of Waterville.

Reproduced and distributed under the direction of the Clerk of the House.
3/9/78

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