

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 629

H. P. 514

House of Representatives, February 16, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. M. Nelson of Portland.

Cosponsor: Mr. Dexter of Kingfield.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

AN ACT to Exempt Used Machinery from the Sales Tax.

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

**Sec. 1. 36 MRSA § 1752, sub-§ 7-B**, as enacted by PL 1977, c. 477, § 6, is amended to read:

**7-B. New or used machinery and equipment.** "New or used machinery and equipment" means new or used machinery and equipment and attachments therefor, but excludes repair parts, foundations for new or used machinery and equipment and special purpose buildings used to house or support new or used machinery and equipment. This section shall not determine in any way, either directly or implicitly the status as "new machinery or equipment" of any special purpose buildings purchased prior to May 1, 1977, used to house or support new machinery and equipment.

"New or used machinery and equipment" includes parts, which are or will be capitalized, used to convert existing machinery to machinery that performs a different function, manufactures a different product or acquires a higher productive capacity, measured by the units of production, than the highest productive capacity of the machinery at any time prior to conversion.

**Sec. 2. 36 MRSA § 1760, sub-§ 31**, as repealed and replaced by PL 1977, c. 477, § 11, is amended to read:

**31. New or used machinery and equipment.** Sales of new or used 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.

**Sec. 3. 36 MRSA § 1760, sub-§ 32,** as enacted by PL 1973, c. 580, § 1, is amended to read:

**32. New or used machinery and equipment for research.** Sales of new or used machinery and equipment for use by the purchaser directly and exclusively in research and development in the experimental and laboratory sense. Such research and development shall not be deemed to include the ordinary testing or inspecting of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions or research in connection with literary, historical or similar projects.

#### STATEMENT OF FACT

The purpose of this bill is to exempt sales of used machinery from the sales and use tax.