

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 942

H. P. 762

House of Representatives, March 2, 1979

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.  
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Jackson of Yarmouth.

Cosponsors: Mr. Carroll of Limerick, Mr. Fowlie of Rockland and Mr. Sherburne of Dexter.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Exempt from Sales Taxes Depreciable Machinery Used in  
Commercial Farming and Fishing.**

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

Sec. 1. 36 MRSA § 1760, sub-§ 41, is enacted to read:

**41. Depreciable machinery and equipment. Sales of depreciable machinery and equipment used in commercial agricultural production or commercial fishing. To receive an exemption under this subsection, the purchaser shall present an identification card to the seller. This card shall display the purchaser's photograph and shall be issued by the State Tax Assessor.**

As used in this subsection:

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

B. "Commercial fishing" means attempting to catch fish or any other marine animals with the intent of disposing of them for profit or trade in commercial channels and does not include subsistence fishing for personal use, sport fishing or charter boat fishing when the vessel is used for carrying sport fishermen to available fishing grounds; and

**C. “Depreciable machinery and equipment” means that part of the following machinery and equipment for which depreciation is allowable under the Internal Revenue Code:**

- (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.**

**The seller shall keep a record of any purchases for which an exemption under this subsection is granted. The State Tax Assessor shall prescribe the format of these records and they shall be used in the enforcement of this section.**

**In the event that any piece of machinery or equipment shall be only partially depreciable under the Internal Revenue Code, the purchaser shall provide that this tax exemption be prorated accordingly.**

**Sec. 2. 36 MRSA § 2013, as enacted by PL 1977, c. 686, § 5, is repealed.**

#### STATEMENT OF FACT

The purpose of this bill is to exempt from sales taxes depreciable machinery and equipment used for commercial fishing and commercial farming. An eligible farmer or fisherman would have to present a state-issued identification card to receive the exemption.

Currently, the sales taxes on this equipment are refunded by the State upon application of the farmer or fisherman.