

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

(Governor's Bill)  
SECOND REGULAR SESSION

---

---

ONE HUNDRED AND NINTH LEGISLATURE

---

---

**Legislative Document**

**No. 1918**

H. P. 1793

House of Representatives, February 4, 1980

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

EDWIN H. PERT, Clerk of the House

Presented by Mrs. Post of Owl's Head.

Cosponsor: Mr. Fowlie of Rockland.

---

---

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

---

**AN ACT to Reorganize the Sales and Use Tax Law and to Encourage Conversion to Coal through Treatment of Coal as Oil for Sales Tax Purposes.**

---

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

**Sec. 1.** 1 MRSA § 2601, sub-§ 36, ¶¶ C and D, as amended by PL 1979, c. 467, § 1, are repealed:

**Sec. 1-A.** 1 MRSA § 2601, sub-§ 36, ¶ E is enacted to read:

**E.** Title 36, chapter 212, as amended, subject to the limitations set forth in Title 36, section 1781, shall be reviewed by July 1, 1985.

**Sec. 1-B.** 36 MRSA § 1751 is amended to read:

§ 1751. **Short title**

~~Chapters 211 to 225~~ This Part shall be known and may be cited as the "Sales and Use Tax Law."

**Sec. 2.** 36 MRSA § 1752, first ¶ is repealed and the following enacted in its place:

**As used in this Part, unless the context indicates otherwise, the following terms have the following meanings.**

Sec. 3. 36 MRSA § 1752, sub-§§ 1-B and 1-C are enacted to read:

1-B. Agricultural production. "Agricultural production" means production of field and orchard crops for human and animal consumption, production of milk, animal husbandry and production of livestock, including poultry.

1-C. Automobile. "Automobile" means any self-propelled 4-wheel motor vehicle not designed to run on tracks and designed primarily to carry passengers.

Sec. 4. 36 MRSA § 1752, sub-§§ 2-B and 2-C are enacted to read:

2-B. Casual sale. "Casual sale" means an isolated transaction in which property is sold or offered for sale by the owner when the sale or offer for sale is not made in the ordinary course of repeated and successive transactions of a like character by that owner. A sale by an executor or administrator in the settlement of an estate is a casual sale unless that sale is made through a retailer or unless that sale is made in the continuation or operation of a business. The sale by a person of property which that person has used in his business is not a casual sale if that person ordinarily sells property of a like character. A transaction in which property is sold or offered for sale by a representative for the owner's account when that representative is a registered retailer is not a casual sale and the registered retailer shall have the same duties respecting such a transaction as if he had sold on his own account.

2-C. Commercial fishing. "Commerical 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 where the vessel is used for carrying sport fishermen to available fishing grounds.

Sec. 5. 36 MRSA § 1752, sub-§ 7-B, 2nd sentence, as enacted by PL 1977, c. 477, § 6, is repealed as follows:

~~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~~

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

"New machinery and equipment" includes machinery which has been converted or parts, which are or will be capitalized, used to convert existing machinery to ~~machinery that performs~~ perform a different function, ~~manufactures~~ manufacture a different product or ~~acquires~~ acquire 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. 7. 36 MRSA § 1752, sub-§ 8 is repealed.

Sec. 8. 36 MRSA § 1752, sub-§ 9-A, as enacted by PL 1977, c. 477, § 7, is amended to read:

**9-A. Primarily.** ~~“Primarily” when used in relation to production of tangible personal property means the use of a unit of property more than 50% of the time directly in production.~~

**Sec. 9.** 36 MRSA § 1752, sub-§ 9-C, as reallocated by PL 1977, c. 696, § 273, is repealed.

**Sec. 10.** 36 MRSA § 1752, sub-§ 9-D is enacted to read:

**9-D. Research and development.** “Research and development” means research and development in the experimental and laboratory sense and does not 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 or similar projects.

**Sec. 11.** 36 MRSA § 1752, sub-§ 10, as last amended by PL 1977, c. 198, § 2, is further amended to read:

**10. Retailer.** “Retailer” means ~~every~~ any person engaged in the business of making sales at retail, renting any living quarters in any hotel, rooming house, tourist or trailer camp, renting automobiles ~~on a short term basis for a rental period of less than one year,~~ or furnishing telephone or telegraph service, and ~~every~~ any person required to register by section ~~1754~~ 1821 or registered under section ~~1756~~ 1822.

**Sec. 12.** 36 MRSA § 1752, sub-§ 11, as last amended by PL 1979, c. 342, is repealed and the following enacted in its place:

**11. Retail sale.** “Retail sale” means any sale in the ordinary course of business for any purpose other than resale, except resale as a casual sale and, until October 15, 1981, resale through a coin-operated vending machine by a retailer more than 50% of whose gross receipts from the retail sale of tangible personal property are derived from sales through vending machines. A casual sale shall be deemed not made in the ordinary course of business.

**Sec. 13.** 36 MRSA § 1752, sub-§ 13 is amended to read:

**13. Sale.** “Sale” means any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration ~~in the regular course of business~~ and includes conditional sales, installment lease sales, any other transfer in which title is retained as security for the payment of the purchase price and is intended to be transferred later and leases and contracts payable by rental or license fees for the right of possession and use, but only when ~~such~~ those leases and contracts are deemed to be in lieu of purchase by the State Tax Assessor.

**Sec. 14.** 36 MRSA § 1752, sub-§ 13-A is enacted to read:

**13-A. Sale at retail.** “Sale at retail” means retail sale.

**Sec. 15.** 36 MRSA § 1752, sub-§ 14, first sentence is amended to read:

“Sale price” means the total ~~amount of the sale or lease or rental price as the~~

~~ease may be~~ of a rental sale, a sale of telephone or telegraph service, or a rental, including any services that are a part of ~~such that~~ sale or rental, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property of any kind or nature, and any amount for which credit is allowed by the seller to the purchaser, without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses or any other expenses whatsoever.

Sec. 16. 36 MRSA § 1752, sub-§ 14, last sentence, as amended by PL 1965, c. 362, § 3, is further amended to read:

“Sale price” shall not include the amount of any tax imposed by the United States upon or with respect to retail sales, ~~including~~ or sales of telephone or telegraph service, whether imposed upon the retailer or the consumer, excepting any manufacturers’ or importers’ excise tax; and shall not include the cost of transportation from the retailer’s place of business or other point from which shipment is made directly to the purchaser provided ~~such~~ these charges are separately stated and provided ~~such~~ the transportation occurs by means of common carrier, contract carrier or the United States mails.

Sec. 17. 36 MRSA § 1752, sub-§ 14-B is enacted to read:

14-B. School. “School” means an incorporated nonstock educational institution, including an institute empowered to confer educational, literary or academic degrees, which has a regular faculty, curriculum and organized body of pupils or students in attendance throughout the usual school year, which keeps and furnishes to students and others records required and accepted for entrance to schools of secondary, collegiate or graduate rank, no part of the net earnings of which inures to the benefit of any individual.

Sec. 18. 36 MRSA § 1752, sub-§ 15 is amended to read:

15. Storage. “Storage” ~~includes means~~ any keeping or retention in this State for any purpose ~~except subsequent use out side of this State, of tangible personal property purchased at retail sale.~~

Sec. 19. 36 MRSA § 1752, sub-§ 16, as amended by PL 1965, c. 114, is repealed.

Sec. 20. 36 MRSA §§ 1753 to 1756, as amended, are repealed.

Sec. 21. 36 MRSA § 1758 is repealed.

Sec. 22. 36 MRSA § 1760, as last amended by PL 1979, c. 292, §§ 2 and 3, c. 513, §§ 1 and 2, c. 520, § 5 and c. 528, is repealed.

Sec. 23. 36 MRSA § 1760-A, as amended by PL 1977, c. 696, § 274, is repealed.

Sec. 24. 36 MRSA § 1761, as amended by PL 1979, c. 541, Pt. A, § 221, is repealed.

Sec. 25. 36 MRSA §§ 1762 and 1763 are repealed.

Sec. 26. 36 MRSA § 1764, as amended by PL 1975, c. 317, § 2, is repealed.

Sec. 27. 36 MRSA § 1765, as last amended by PL 1979, c. 541, Pt. A, § 222, is repealed.

Sec. 28. 36 MRSA §§ 1766 to 1773 are enacted to read:

**§ 1766. Sales tax**

A tax, at the rate of 5% of the sale price, unless otherwise provided, is imposed upon:

1. Retail sale of tangible personal property. The retail sale in this State of all tangible personal property;
2. Sales of telephone and telegraph service. The sale in this State of telephone and telegraph service;
3. Rental of living quarters. The rental in this State of living quarters in hotels, rooming houses, tourist or trailer camps; and
4. Short-term automobile rental. The rental of automobiles in this State for a rental period of less than one year, except to a person engaged in the business of renting automobiles.

**§ 1767. Use tax**

A tax is imposed on the storage, use or other consumption in this State of tangible personal property, purchased at retail sale, at the rate of 5% of the sale price. Every person so storing, using or otherwise consuming is liable for the tax until he has paid the same or has taken a receipt from his seller, thereto duly authorized by the State Tax Assessor, showing that the seller has collected the sales or use tax, in which case the seller shall be liable for it. Retailers registered under section 1821 or 1822 shall collect the tax and make remittance to the State Tax Assessor. The amount of the tax payable by the purchaser shall be that provided in the case of sales taxes by section 1834. When tangible personal property purchased for resale is withdrawn from inventory by the retailer for his own use, use tax liability, based upon the sale price paid by that retailer for that property, accrues at the date of withdrawal.

The use tax provisions of this Part do not apply in respect to the use, storage or consumption in this State of tangible personal property purchased at retail sale outside the State where the purchaser has paid a sales or use tax equal to or greater than the amount imposed by this Part to another taxing jurisdiction. If the amount of tax paid in another taxing jurisdiction is not equal to or greater than the amount of tax imposed by this Part, the purchaser shall pay to the State Tax Assessor an amount sufficient to make the tax paid in the other taxing jurisdiction and in this State equal to the amount imposed by this Part.

**§ 1768. Tax on interim rental of property purchased for resale**

Every person who purchases tangible personal property for resale, other than resale as a casual sale, and rents that property in this State to another shall be deemed to have made a use, taxable under section 1767, of that property unless

that rental occurs while that property is being held for resale and unless that person, within 30 days of the first such rental, certifies in writing to the State Tax Assessor, on a form prescribed and furnished by the State Tax Assessor, that the property was purchased by him for resale. Upon such certification, a tax is imposed, at the sales tax rate provided in section 1766, upon all rentals received by that person for use of the property covered by that certification. If that person thereafter makes use of or disposes of that property other than by renting it, selling it or holding it for sale, he shall be liable for a use tax upon that use or disposition based upon the price paid by him for that property less the aggregate amount of tax paid pursuant to this section on the rental of that property. The tax on rentals imposed by this section shall be subject to section 1834 and all other pertinent provisions of this Part and for those purposes shall be treated the same as the sales tax imposed by section 1766 with the rentor deemed to be the retailer, the rentals deemed to be the sale price, and the rentee deemed to be the purchaser and consumer. Any certification under this section shall cover one article only with its attachments and accompanying accessories. The term "renting" as used in this section includes renting, letting, leasing and chartering, and the term "rentals" as used in this section includes any receipts derived from the use of any such article covered by any such certification.

**§ 1769. Isolated motor vehicle or aircraft transactions**

The tax imposed by this Part shall be levied upon all isolated transactions involving the sale of motor vehicles or aircraft excepting sales for resale and isolated transactions involving the sale of motor vehicles or aircraft to a corporation when the seller is the owner of a majority of the common stock of that corporation.

**§ 1770. Trade-in credit**

When one or more motor vehicles, farm tractors, boats, aircraft or self-propelled vehicles used to harvest lumber are 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 this Part shall be levied only upon the difference between the sale price of the purchased property and the sale price of the property taken in trade, except for transactions between dealers involving exchange of the vehicles from inventory.

**§ 1771. Tax is a levy on consumer**

The liability for, or the incidence of, the tax on tangible personal property provided by chapters 211 to 225 is declared to be a levy on the consumer. The retailer shall add the amount of the tax on the property and may state the amount of the taxes separately from the price of the property on all price display signs, sales or delivery slips, bills and statements which advertise or indicate the price of the property. This section shall in no way affect the method of collection of the taxes on the property as now provided by law.

**§ 1772. Retailer or user liable**

The tax imposed by this Part and interest and penalties thereon shall be a personal debt of the retailer or user of the State.

§ 1773. Burden of proof

The burden of proving that a transaction was not taxable shall be upon the person charged with tax liability.

Sec. 29. 36 MRSA c. 212 is enacted to read:

CHAPTER 212

EXEMPTIONS

§ 1781. Legislative review

This chapter, except for sections 1782 and 1783, is subject to review under Title 1, section 2601. The legislative committee having jurisdiction over the review provided for in Title 1, section 2602, shall be the joint standing committee of the Legislature which is assigned jurisdiction over the subject of taxation. Any sales tax exemptions enacted in this Title after the effective date of this chapter, shall be assigned a date of review in Title 1, section 2601, that is no more than 5 years from its effective date. In addition to the contents of the committee report set out in Title 1, section 2603, a report on sales tax exemptions shall include an evaluation of the economic impact of the exemption on the State or community and a determination of which group or individuals are assisted by this exemption and their approximate number.

§ 1782. Constitutional exemptions

No tax on sales, storage or use may be collected upon or in connection with sales which this State is prohibited from taxing under the Constitution of the United States, laws of the United States or Constitution of this State.

§ 1783. Sales to certain political entities

No tax on sales, storage or use may be collected upon or in connection with sales to the State or any political subdivision thereof or to the Federal Government or to any unincorporated agency or instrumentality of them or to any incorporated agency or instrumentality of them wholly owned by them.

§ 1784. Sales of food products

No tax on sales, storage or use may be collected upon or in connection with the sale of food products.

“Food products,” except as otherwise provided, includes: Cereals and cereal products; milk and milk products, other than candy and confectionery, but including ice cream; oleomargarine; meat and meat products; fish and fish products; eggs and egg products; vegetable and vegetable products; fruit and fruit products, including pure fruit juices; spices, condiments and salt; sugar and sugar products other than candy and confectionery; coffee and coffee substitutes; and tea, cocoa and cocoa products, other than candy and confectionery.



**“Food products” does not include: Spirituous, malt or vinous liquors; soft drinks, sodas or beverages such as are ordinarily dispensed at bars or soda fountains or in connection therewith; medicines, tonics, vitamins and preparations in liquid, powdered, granular, tablet, capsule, lozenge or pill form, sold as dietary supplements or adjuncts, except when sold on the prescription of a physician; or water, including mineral, bottled and carbonated waters and ice.**

**“Food products” does not include: Meals served on or off the premises of the retailer; or drinks or food furnished, prepared or served for consumption at tables, chairs or counters, or from trays, glasses, dishes or other tableware provided by the retailer.**

**This exemption does not apply to the sale, to a retailer more than 50% of whose gross receipts from the retail sale of tangible personal property are derived from sales through vending machines, of food products for resale through coin-operated vending machines.**

**The sale of food products ordinarily sold for immediate consumption on or near the location of the retailer is a taxable sale even though those products are sold on a “take out” or “to go” order and are actually packaged or wrapped and taken from the premises.**

#### **§ 1785. Sale of certain fuels**

**No tax on sales, storage or use may be collected upon or in connection with the sale of the following fuels:**

**1. Motor vehicle fuel. Gasoline and motor fuels upon which a tax is now imposed by any state or province. The tax imposed by this Part shall apply to such fuels not used by vehicles on the highway and shall be deducted from any refund of the gasoline tax resulting from nonhighway use. Except for fuel sold for international flights, internal combustion engine fuel, as defined in section 2902, bought and used for the purpose of propelling jet or turbojet engine aircraft shall not be exempt;**

**2. Residential 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;**

**3. Residential gas. Sales of gas when bought for cooking and heating in homes, mobile homes, boarding homes and apartment houses, but not in hotels and motels;**

**4. Certain industrial fuel. Fuel oil, or coal by-products from the burning of which become an ingredient or component part of tangible personal property for later sale; or**

**5. Fuels for burning blueberry fields. Fuel used in burning blueberry fields.**

#### **§ 1786. Sale of certain meals**

**No tax on sales, storage or use may be collected upon or in connection with the sale of meals:**

**1. School meals.** Served by public or private schools, school districts, student organizations and parent-teacher associations to the students or teachers of a school;

**2. Institutional meals.** To patients and inmates of hospitals licensed by the State for the care of human beings and other institutions licensed by the State for the hospitalization or nursing care of human beings, or institutions, agencies, hospitals, boarding homes and boarding houses licensed by the Department of Human Services under Title 22, Subtitle 6 and Title 34, section 2211; and

**3. Meals for the elderly.** By hospitals, schools, long-term care facilities, food contractors and restaurants to incorporated nonprofit area agencies on aging for the purpose of providing meals to the elderly.

**§ 1787. Certain sales of water**

**No tax on sales, storage or use may be collected upon or in connection with the sale of water:**

**1. Residential.** Purchased for use in homes, mobile homes, boarding homes and apartment houses and other buildings designed for both human habitation and sleeping, with the exception of hotels and motels; or

**2. For generating electricity.** Stored for the purpose of generating electricity, when the sale is to or by a wholly-owned subsidiary by or to its parent corporation, except for water purchased for resale to or by that wholly-owned subsidiary.

**§ 1788. Sale of certain medical supplies**

**No tax on sales, storage or use may be collected upon or in connection with sales of:**

**1. Medicines.** Medicines for human beings sold on doctor's prescription;

**2. Prosthetic devices.** Prosthetic aids, hearing aids or eyeglasses and artificial devices designed for the use of a particular individual to correct or alleviate physical incapacity; and sale of crutches and wheelchairs for the use of invalids and crippled persons and not for rental;

**3. Diabetic supplies.** All equipment and supplies, whether medical or otherwise, used in the diagnosis or treatment of diabetes; or

**4. Seeing eye dogs.** Goods and services which are essential for the care and maintenance of seeing eye dogs which are used to aid any blind person.

**§ 1789. Sales to certain organizations**

**No tax on sales, storage or use may be collected upon or in connection with sales to:**

1. **Unincorporated hospitals. Proprietors of unincorporated hospitals of hospital supplies and equipment.** "Hospital supplies and equipment" means all tangible personal property bought for the care, treatment and housing of patients of the hospital or any other purpose necessarily incident to the operation of the hospital;

2. **Hospitals, research centers, churches and schools.** Incorporated hospitals, incorporated nonprofit nursing homes licensed by the Department of Human Services, incorporated nonprofit home health care agencies certified under Title XVIII of the United States Social Security Act of 1965 as amended, institutions incorporated as nonprofit corporations for the sole purpose of conducting medical research or for the purpose of establishing and maintaining laboratories for scientific study and investigation in the field of biology or ecology or operating educational television or radio stations, schools and regularly organized churches or houses of religious worship, excepting sales, storage or use in activities which are mainly commercial enterprises;

3. **Volunteer ambulance corps and fire departments.** Incorporated volunteer fire departments and to incorporated volunteer nonprofit ambulance corps;

4. **Regional planning commissions and councils of government.** Regional planning commissions and councils of government which are established in accordance with Title 30;

5. **Community mental health and mental retardation facilities.** Mental health and mental retardation facilities which receive support under the United States Community Mental Health Centers Act, as amended, or its successors, or from the Department of Mental Health and Corrections pursuant to Title 34, chapters 183 or 227; or

6. **Child care institutions.** Incorporated private nonprofit residential child caring institutions which are licensed by the Department of Human Services as child caring institutions.

#### § 1790. Certain sales of automobiles

No tax on sales, storage or use may be collected upon or in connection with the sales of automobiles:

1. **Driver education.** To automobile dealers, registered under section 1821, for the purpose of being equipped with dual controls and being loaned or leased to public or private secondary schools without consideration or for a consideration of not more than \$1 a year, and used exclusively by schools in driver education programs;

2. **Amputee veterans.** To veterans who are granted free registration of such vehicles by the Secretary of State under Title 29, section 251; or

3. **Rental.** To a person engaged in the business of renting automobiles for the purpose of rental for a period of less than one year or the sale to such a person of

integral parts of, or accessories to, automobiles for the purpose of use in an automobile rented for a period of less than one year.

**§ 1791. Certain sales to nonresidents**

No tax on sales, storage or use may be collected upon or in connection with the sale to a nonresident of:

1. **Motor vehicles.** Motor vehicles intended to be driven or transported outside the State immediately upon delivery by the seller. If the motor vehicle is registered for use in the State within 6 months of the date of purchase, the person seeking registration shall be liable for use tax on the basis of the original purchase price;

2. **Truck bodies and trailers.** Truck bodies, semitrailers and trailers, manufactured in the State, except camper bodies and trailers, intended to be removed immediately from the State upon delivery by the seller. If the truck body, semitrailer or trailer is returned to the State for an otherwise taxable use in the State within 6 months of the date of purchase, the purchaser shall be liable for use tax, based on the original purchase price;

3. **Boats.** Yachts and other pleasure boats and commercial vessels and boats actually registered for numbering, enrolled or documented under federal or foreign law in the appropriate customhouses or registry offices for location thereof or home ports therefor outside the State, when those craft are either delivered outside the State or delivered in the State to be sailed or transported outside the State immediately upon delivery by the seller; and any sales to nonresidents, under contracts for the construction of any such craft to be so delivered, of materials to be incorporated therein; and any sales to nonresidents for the repair, alteration, refitting, reconstruction, overhaul or restoration of any such craft to be so delivered, of materials to be incorporated therein; or

4. **Aircraft.** Aircraft intended to be driven or transported outside the State immediately upon delivery by the seller.

**§ 1792. Certain rentals**

No tax on sales, storage or use may be collected upon or in connection with:

1. **Camps.** Rental charged for living quarters, sleeping or housekeeping accommodations at camps entitled to exemption from property tax under section 652, subsection 1;

2. **Institutions.** Rental charged for living or sleeping quarters in an institution licensed by the State for the hospitalization or nursing care of human beings;

3. **Schools.** Rental charged for living quarters, sleeping or housekeeping accommodations to any student necessitated by attendance at a school; or

4. **Continuous residence.** Rental charged to any person who resides continuously for 28 days at any one hotel, rooming house, tourist or trailer camp.

Tax paid by the person to the retailer under section 1834 during the initial 28-day period shall be refunded by by retailer. The tax reported and paid to the State by the retailer may be taken as a credit by the retailer on the report filed by him covering the month in which refund was made to the tenant.

**§ 1793. Sales of certain machinery and equipment**

1. **Industrial.** No tax on sales, storage or use may be collected in connection with sales of new machinery and equipment for use by the purchaser:

A. Directly and primarily in the production of tangible personal property which is intended to be ultimately sold or leased for final use or consumption; or

B. Directly and exclusively in research and development.

2. **Agricultural and fishing.** Any person who purchases new or used machinery, including self-propelled vehicles, and attachments and equipment therefor for use by that person directly and primarily in commercial agricultural production or new or used watercraft for use primarily for commercial fishing or nets, traps, cables, tackle and related equipment necessary to the operation of a commercial fishing venture shall be reimbursed the amount of Maine sales tax paid by him on that property if the property is depreciable under the United States Internal Revenue Code and if application for refund is made within 15 months of the date of purchase. Evidence of eligibility shall include, but not be limited to, a copy of that portion of the purchaser's most recent filing under the United States Internal Revenue Code, which indicates that the purchaser is engaged in commercial agricultural production or that the user is engaged in commercial fishing and that the property for which refund is claimed is depreciable for those purposes. If any machinery or equipment is only partially depreciable under the United States Internal Revenue Code, any reimbursement of sales tax shall be prorated accordingly. No sales tax may be collected upon the purchase of a single item of machinery or equipment with a sales price in excess of \$5,000 if the purchaser has the certification of the State Tax Assessor that the sales tax, if paid by the purchaser, would be refundable under this subsection.

**§ 1794. Sales for consumption in manufacturing**

No tax on sales, storage or use may be collected upon or in connection with the sale of tangible personal property, other than fuel or electricity, which becomes an ingredient or component part of, or which is consumed or destroyed or loses its identity in the manufacture of, tangible personal property for later sale or lease, other than lease for use in this State. Tangible personal property is "consumed or destroyed" or "loses its identity" in manufacturing if that property has a normal physical life expectancy of less than one year as a usable item in the use to which it is applied.

**§ 1795. Pollution control facilities**

No tax on sales, storage or use may be collected upon or in connection with sales of:

1. **Water.** Any water pollution control facility, certified as such by the Board of Environmental Protection, and any part or accessories thereof, or any materials for the construction, repair or maintenance of such facility.

As used in this subsection:

A. "Disposal system" means any system used primarily for disposing of or isolating industrial or other waste and includes thickeners, incinerators, pipelines or conduits, pumping stations, force mains and all other constructions, devices, appurtenances and facilities used for collecting or conducting water-borne industrial or other waste to a point of disposal, treatment or isolation, except that which is necessary to the manufacture of products;

B. "Facility" means any disposal system or any treatment works, appliance, equipment, machinery, installation or structures installed, acquired or placed in operation primarily for the purpose of reducing, controlling or eliminating water pollution caused by industrial or other waste, except septic tanks and the pipelines and leach fields connected or appurtenant thereto;

C. "Industrial waste" means any liquid, gaseous or solid waste substance capable of polluting the waters of the State and resulting from any process, or the development of any process, of industry or manufacture; and

D. "Treatment works" means any plant, pumping station, reservoir or other works used primarily for the purpose of treating, stabilizing, isolating or holding industrial or other waste; or

2. **Air.** Any air pollution control facility, certified as such by the Board of Environmental Protection, and any part or accessories thereof, or any materials for the construction, repair or maintenance thereof.

As used in this subsection:

A. "Facility" means any appliance, equipment, machinery, installation or structures installed, acquired or placed in operation primarily for the purpose of reducing, controlling, eliminating or disposing of industrial or other air pollutants. Facilities such as air conditioners, dust collectors, fans and similar facilities designed, constructed or installed solely for the benefit of the person for whom installed or the personnel of that person, and facilities designed or installed for the reduction or control of automobile exhaust emissions are deemed air pollution control facilities for purposes of this subsection.

#### § 1796. Certain energy-saving devices

No tax on sales, storage or use may be collected upon or in connection with sales of:

1. **Solar energy equipment.** Solar energy equipment certified as such by the Office of Energy Resources. In order to obtain certification, a person must submit to the Office of Energy Resources, or its legal successor, an application for a tax

rebate which shall state at a minimum the energy equipment purchased, its manufacturer, its cost, the seller from whom the purchase was made and the use which the purchaser shall make of the equipment. The State Tax Assessor shall refund sales or use tax paid on solar energy equipment upon notice of certification by the Office of Energy Resources. This subsection shall remain in effect until January 1, 1983.

**§ 1797. Certain sales of electricity**

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. Residential electricity. The first 750 kilowatt hours of residential electricity per month. For the purpose of this subsection, "residential electricity" means electricity furnished to homes, mobile homes, boarding homes and apartment houses, with the exception of hotels and motels. Where residential electricity is furnished through one meter to more than one residential unit and where the electric utility applies its tariff on a per unit basis, the furnishing of electricity shall be deemed a separate sale for each unit to which the tariff applies;

2. Electrolytic manufacturing process. Electricity separately metered and consumed in any electrolytic process for the manufacture of tangible personal property for later sale; or

3. Parent-subsidiary sales. Electrical energy to or by a wholly-owned subsidiary by or to its parent corporation, except for electrical energy purchased for resale to or by that wholly-owned subsidiary.

**§ 1798. Cigarettes and liquor**

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. Cigarettes. Cigarettes which are subject to other taxes imposed by chapter 703; or

2. Liquor. Spirituous or vinous liquors sold in stores operated by the State Liquor Commission or the sale of spirituous and vinous liquors containing more than 14% alcohol by volume offered for sale in special agency stores, as defined in Title 28, section 153.

**§ 1799. Certain packaging materials**

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. Returnable containers. Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling; or

2. Certain other packaging. Containers, boxes, crates, bags, cores, twines, tapes, bindings, wrappings, labels and other packing, packaging and shipping

materials when sold to persons for use in packing, packaging or shipping tangible personal property sold by them or upon which they have performed the service of cleaning, pressing, dyeing, washing, repairing or reconditioning in their regular course of business and which are transferred to the possession of the purchaser of that tangible personal property.

§ 1800. Certain vending machine sales

No tax on sales, storage or use may be collected upon or in connection with the sale of tangible personal property through a coin-operated vending machine for a total consideration of 15¢ or less by a retailer more than 50% of whose gross receipts from the retail sale of tangible personal property are derived from sales through vending machines. Until October 15, 1981, this exemption applies to all vending machine sales by such a retailer, regardless of price.

§ 1801. Mobile and modular homes.

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. Used. A used mobile or modular home; or
2. New. A new mobile or modular home, except that 50% of the sale price or the portion of the sale price which equals the cost of materials for that home, whichever is greater, shall be taxable.

§ 1802. Certain agricultural and fishing supplies

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. Agricultural supplies. Seed, feed, hormones, fertilizer, pesticides, insecticides, fungicides, weed killers, defoliant, litter and medicine used in agricultural production; or
2. Bait. Bait to commercial fishermen.

§ 1803. Periodicals

No tax on sales, storage or use may be collected upon or in connection with the sale of any publication regularly issued at average intervals not exceeding 3 months.

§ 1804. Religious items

No tax on sales, storage or use may be collected upon or in connection with the sale of the Bible or other books, literature or utensils of worship used in and by established churches for religious instruction and prayer.

§ 1805. Funeral services

No tax on sales, storage or use may be collected upon or in connection with the sale of funeral services.



**§ 1806. Sales for use in interstate or foreign commerce**

No tax on sales, storage or use may be collected upon or in connection with the sale of:

1. **Ships' stores.** Cabin, deck and engine supplies and bunkering oil to ships engaged in transporting cargo or passengers for hire in interstate or foreign commerce.

**§ 1807. Property removed from State**

When a business which operates from fixed locations within and without this State purchases supplies and equipment in this State, places them in inventory in this State and subsequently withdraws them from inventory either for use at a location of the business in another taxing jurisdiction or for fabrication, attachment or incorporation into other tangible personal property for use at a location of the business in another taxing jurisdiction, without having made use other than storage or such fabrication, attachment or incorporation within this State, it may request a refund of Maine sales tax paid at the time of purchase, provided it maintains inventory records by which the acquisition and disposition of the supplies and equipment purchased can be traced. No refund may be made where the taxing jurisdiction to which the supplies and equipment are removed levies a sales or use tax. The refunds must be requested in accordance with section 1838.

No use tax may be imposed upon tangible personal property brought into this State for the purpose of subsequently being transported outside the State for use by the purchaser thereafter solely outside the State or for the purpose of being processed, fabricated or manufactured into, incorporated into or attached to other tangible personal property to be transported outside the State and thereafter used by the purchaser solely outside the State.

Sec. 30. 36 MRSA c. 213, as amended, is repealed.

Sec. 31. 36 MRSA c. 214 is enacted to read:

**CHAPTER 214  
ADMINISTRATION  
SUBCHAPTER I  
REGISTRATION**

**§ 1821. Mandatory registration**

In order to facilitate the enforcement of this Part, the following persons, other than casual sellers, shall register with the State Tax Assessor:

1. **Maintains place of business.** Every seller of tangible personal property, whether or not at retail, maintaining within this State any office, place of

manufacture, place of distribution, sales or sample room or place, warehouse or storage place or other place of business;

2. **Makes sales or solicits orders.** Every seller of tangible personal property not maintaining such a place who makes retail sales within this State or who solicits orders by means of salesmen within the State for retail sales for use, storage or other consumption within the State;

3. **Consignee or agent.** Every consignee or agent who makes retail sales in the State of tangible personal property on behalf of a principal who is without the State if the principal is not the holder of a valid registration certificate;

4. **Sales for use within State.** Every agent, representative, salesman, entrepreneur, solicitor, distributor or independent selling agent, when that person receives compensation by reason of sales of tangible personal property made outside the State by his principal for use, storage or other consumption in the State, and every salesman within the State of any seller subject to subsection 2, if that principal is not the holder of a valid registration certificate;

5. **Hotels, rooming houses and camps.** Every person managing or operating a hotel, rooming house, tourist or trailer camp or collecting or receiving rents therefrom on behalf of the owner or operator;

6. **Telephone and telegraph service.** Every person furnishing telephone or telegraph service;

7. **Short-term rentals of automobiles.** Every person engaged in the business of renting automobiles for a rental period of less than one year; and

8. **Other presence in State.** Every seller of tangible personal property who maintains a continuing presence of a nonsoliciting employee within the State or who makes regular or frequent delivery in this State of that property by means of its own employees or agents.

Forms for application for registration certificates and registration certificates shall be prescribed and furnished free by the State Tax Assessor. For each place of business, the State Tax Assessor shall issue a registration certificate which shall be conspicuously displayed at that place. A registration certificate is not assignable, but it may be used by the legal representative of a registrant deceased, incompetent, bankrupt or insolvent. A registration certificate is not a "license" within the meaning of that term in the Maine Administrative Procedure Act, Title 5, chapter 375.

In the case of a vendor who has not fixed place of business and sells from one or more vehicles, each vehicle shall constitute a "place of business" for the purpose of this section. In the case of a vendor who has no fixed place of business and does not sell from a vehicle, the application for a seller's certificate shall nevertheless set forth a place to which any notice or other communication authorized by this Part may be sent.

§ 1822. Voluntary registration

Every seller of tangible personal property, not required by section 1821 to register, may register upon such terms as the State Tax Assessor may prescribe. Upon registration, he shall have the rights and duties of a person required to be registered and shall be subject to the same penalties, except that his liability may be limited to tax actually collected. The person so registered may, at any time, surrender his registration certificate and request that the same be canceled. Upon receipt of the certificate and request, the State Tax Assessor shall cancel the registration, if it appears to him that the registrant has satisfied all liability to the State and that he is not required by law to be registered. Upon surrender of his certificate, the registered person shall cease to collect sales or use taxes upon sales taking place on and after the date of that surrender.

## SUBCHAPTER II COLLECTION

### § 1831. Trust fund

1. Generally. All taxes collected by any retailer from purchasers pursuant to this Part, and all taxes collected by any retailer from purchasers under color of this Part which have not been properly returned or credited to the purchasers from whom they were collected, shall constitute a special fund in trust for the State Tax Assessor. The liability for these taxes shall be enforceable by assessment and collection, in the manner prescribed in Part 1 and this Part, against the retailer and any officer, director, member, agent or employee of any retailer who, in that capacity, is responsible for the control or management of the funds or finances of that retailer or is responsible for the payment of that retailer's taxes. The term "purchasers", as used in this subsection, includes persons who have paid rental charges for living quarters in any hotel, rooming house, tourist or trailer camp.

2. Notice to segregate. Whenever the State Tax Assessor finds that the payment of the trust funds established under subsection 1 will be jeopardized by delay, neglect or misappropriation or whenever any retailer fails to make payment of taxes or file reports as required by this Part, the State Tax Assessor may give notice to the retailer that the trust funds shall be segregated from and shall not be commingled with any other funds or assets of the retailer. Within 5 days after the mailing of that notice, all taxes which thereafter become collectable or are collected shall be deposited daily in the bank approved by the State Tax Assessor, in a separate account, in trust for and payable to the State Tax Assessor and kept in such account until paid to him. The segregation requirement shall remain in effect until a notice of cancellation is given by the State Tax Assessor.

3. Revocation for nonsegregation. Upon the expiration of the 5-day period designated in subsection 2, if any retailer fails to make the deposits required or, after making the deposits, withdraws any portion thereof, the State Tax Assessor may revoke any registration certificate which has been issued to the retailer. The revocation shall be reviewable in accordance with section 151.

§ 1832. Tax returns

Every retailer shall file with the State Tax Assessor, on or before the 15th day of each month, a return made under the pains and penalties of perjury on such form as the State Tax Assessor may prescribe, which shall disclose the total sale price of all sales made during the preceding calendar month and such other information as the State Tax Assessor requires. The State Tax Assessor may permit the filing of returns other than monthly. The State Tax Assessor may waive reporting nontaxable sales. The State Tax Assessor, for good cause, may extend for not more than 30 days the time for making returns required under this Part. Every person subject to the use tax shall file similar reports at similar dates and shall pay the tax or furnish a receipt for the same from a registered retailer.

§ 1833. Payment of tax

The taxes imposed by this Part shall be due and payable at the time of the sale or, in the case of tax on rentals, at the time the rental is payable. Upon such terms and conditions as the State Tax Assessor may prescribe, he may permit a postponement of payment to a date not later than the date when the sales so taxed are required to be reported. For cause, the State Tax Assessor may abate all or any part of the taxes.

§ 1834. Computation of tax

Every retailer shall add the sales tax imposed by this Part, or the average equivalent of that tax, to his sale price, except as otherwise provided, and when added the tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price. When the sales price involves a fraction of a dollar, the tax shall be added to the sale price upon the following schedule:

Amount of Sale Price	Amount of Tax
\$0.01 to \$0.10, inclusive	0c
.11 to .20, inclusive	1c
.21 to .40, inclusive	2c
.41 to .60, inclusive	3c
.61 to .80, inclusive	4c
.81 to .99, inclusive	5c

When the sale price exceeds 99c, the tax to be added to the price shall be 5c for each whole dollar plus the amount indicated in this section for each fractional part of a dollar. When several articles are purchased together and at the same time, the tax shall be computed on the total amount of the several items.

The tax imposed upon the sale and distribution of gas, water or electricity, or telephone or telegraph service, by any public utility, the rates for which sale and distribution are established by the Public Utilities Commission, shall be added to the rates so established.

The difference between the amount of tax collected pursuant to the schedule in

this section and the amount of tax payable to the State upon the total sales of the retailer may be retained by the retailer as compensation for the collection.

§ 1835. Credit for worthless accounts

The tax paid on sales represented by accounts found to be worthless and actually charged off may be credited upon the tax due on subsequent report, but if any such accounts are thereafter collected by the retailer, a tax shall be paid upon the amounts so collected. For the purpose of section 141, the credit shall be considered as being required to be reported on or before the 15th day of the month following that in which the charge-off was made.

§ 1836. Classified permits

Upon application of a retailer, the State Tax Assessor shall issue a classified permit establishing a percentage of exempt sales which reasonably estimates the actual breakdown between exempt and nonexempt sales of that retailer. The retailer may then report and pay sales tax on the basis of that estimate. The classified permit may be amended whenever the State Tax Assessor determines that the stated percentage of exempt sales is inaccurate and may be revoked if the retailer does not comply with rules of the State Tax Assessor relating to the administration of this section.

§ 1837. Excessive and erroneous collections

Whenever the tax collected by a retailer for any period exceeds that provided by law, whether the excess is attributable to the collection of tax on exempt or nontaxable transactions or erroneous computation, the total amount collected, excluding only that portion of the excess which has been returned or credited to the person or persons from whom it was collected, shall constitute a tax liability of the retailer and shall be reported and paid at the time and in the manner provided by sections 1832 and 1833. This tax liability shall be subject to assessment, collection and enforcement by the State Tax Assessor in the manner provided in Part 1 and this Part. Any such amount which has been paid by or collected from a retailer shall be refunded by the State Tax Assessor to the retailer in accordance with section 1838 only upon submission of proof to the satisfaction of the State Tax Assessor that the amount has been returned or credited to the person from whom it was originally collected.

§ 1838. Refunds

Upon written application by the taxpayer, if the State Tax Assessor determines that any tax has been paid more than once or has been erroneously or illegally collected or computed, the State Tax Assessor shall certify to the State Controller the amount collected in excess of what was legally due, from whom it was collected or by whom paid and that amount shall be credited by the State Tax Assessor on any taxes then due from the retailer under this Title and the balance shall be refunded to the retailer or user, or his successors, administrators, executors or assigns. No such credit or refund may be allowed after 3 years from the date of overpayment unless a written request setting forth the grounds upon

which refund is claimed, has been filed with the State Tax Assessor within that period. The State Tax Assessor shall have the right to cancel or abate any tax which has been illegally levied. Nothing shall authorize the taxpayer, or anyone acting in his behalf, to apply for a refund of any amount assessed when administrative and judicial review pursuant to section 151 has been completed.

Any taxpayer dissatisfied with the decision of the State Tax Assessor, upon a written request for refund filed under this section, may request reconsideration and appeal therefrom to the Superior Court in the same manner and under the same conditions as in the case of assessments made under Part 1 and this Part. The decision of the State Tax Assessor upon a written request for refund shall become final in the same manner and under the same conditions as in the case of assessments made under Part 1 and this Part.

**§ 1839. Sale of business; purchaser liable for tax**

If any retailer liable for any tax or interest levied sells out his business or stock of goods, or quits the business, he shall make a final return and payment within 15 days after the date of selling or quitting business. His successor, successors or assignees, if any, shall withhold sufficient of the purchase money to cover the amount of the taxes and interest due and unpaid, until such time as the former owner produces a receipt from the State Tax Assessor showing that they have been paid or a certificate stating that no taxes or interest are due. If a purchaser of a business or stock of goods fails to withhold purchase money, he shall be personally liable for the payment of the taxes and interest accrued and unpaid on account of the operation of the business by any former owner, owners or assignors.

**§ 1840. Payment as prerequisite for registration of property**

Whenever any tangible personal property whose sale or use is subject to tax under this Part is required to be registered for use within this State by any law other than this, the applicant for registration, whether or not the owner, shall himself be liable for the sales tax or use tax or shall prove that the tax is not owing. The applicant shall file with the registering agency a certificate in such form as may be prescribed by the State Tax Assessor containing the name of vendor, date of purchase, sale price and such other information as may be pertinent to determination of tax liability; and the registering agency shall forward such certificate promptly to the Bureau of Taxation. Certificates forwarded to the State Tax Assessor under Title 29, section 204 shall be treated as returns filed under this Title for purposes of section 141.

The tax imposed by this Part on the sale or use of any vehicle shall, except where the dealer thereof has collected the tax in full, be paid by the purchaser or other person seeking registration of the vehicle at the time and place of registration of the vehicle. The tax shall be collected by the Secretary of State and transmitted to the Treasurer of State as provided by Title 29, chapter 5, subchapter 1-A.

**§ 1841. Suspension of vehicle registration**

If, after notice of deficiency assessment and demand for payment, any amount required to be paid with respect to any vehicle is not paid as demanded within the 12-day period prescribed in section 1959, or such extension thereof as the State Tax Assessor may allow, the State Tax Assessor, in addition to proceeding to enforce collection pursuant to Part 1 and this Part, may immediately notify the Secretary of State, who shall proceed in accordance with Title 29, section 55-B, to mail the required 5-day notice and to suspend any registration certificate and plates issued for the vehicle in respect to which the tax remains unpaid upon the expiration of the 5-day period provided therein.

Whenever the payment of the tax due in respect to any vehicle results in a protest or is returned by the bank upon which it was drawn because of insufficient funds, account closed, no account or any other similar reason, the State Tax Assessor shall promptly mail a notice of dishonor, as defined in Title 11, section 3-508, to the person liable for the payment of the tax and warning the person that if he does not make the payment as demanded within 10 days after the mailing of the notice, suspension of the registration certificate and plates issued for the vehicle may result in accordance with Title 29, section 55-B. If that person fails to pay the amount due within 10 days after the mailing of the notice, the State Tax Assessor, in addition to proceeding to enforce collection pursuant to Part 1 and this Part, may immediately notify the Secretary of State who shall proceed in accordance with Title 29, section 55-B to mail the required 5-day notice and to suspend any registration certificate and plates issued for the vehicle in respect to which the tax remains unpaid upon the expiration of the 5-day period provided therein.

**§ 1842. Advertising of payment by retailer**

Any retailer who advertises or holds out or states to the public or to any consumer, directly or indirectly, that the tax or any part thereof imposed by this Part will be assumed or absorbed by that retailer, or that it will not be added to or included in the selling price of the property sold, or, if added or included, that it or any part thereof will be refunded is guilty of a Class E crime.

Sec. 32. 36 MRSA c. 215, as amended, is repealed.

Sec. 33. 36 MRSA c. 218, as enacted by PL 1977, c. 316, § 2 and as amended, is repealed.

Sec. 34. 36 MRSA §§ 1951-1955-C, as amended, are repealed.

Sec. 35. 36 MRSA § 2011, as last amended by PL 1979, c. 378, § 17, is repealed.

Sec. 36. 36 MRSA § 2012, as amended by PL 1967, c. 88, is repealed.

Sec. 37. 36 MRSA § 2013, as enacted by PL 1977, c. 686, § 5, and as amended by PL 1979, c. 190, is repealed.

## STATEMENT OF FACT

Since its enactment, the Sales and Use Tax Law has undergone almost 30 years of extensive but piecemeal amendment. Consequently, the present law is badly disorganized, making it difficult for administrators to work with and nearly incomprehensible to the general public. For example, exemptions, although a significant portion of the law, are presently officially located in one section which contains 40 subsections. Numerous other provisions operating as exemptions are scattered throughout the law, including enough to expand the definition of the term "retail sale" to 1½ pages in the Maine Revised Statutes. The intent of this bill is to reorder the statute without substantially affecting its meaning. The purposes of the bill are as follows:

Amends short title and amends chapter reference to Part reference;

Amends definition introduction to standard format;

Establishes "agricultural production," now defined in Title 36, section 2013, as a general definition;

Establishes "automobile," now defined as part of "rental of automobile on short-term basis" in Title 36, section 1752, sub-§ 9-C, as a general definition;

Establishes "casual sale," now part of the definition of "retail sale" in Title 36, section 1752, sub-§ 11, as a separate definition and establishes "commercial fishing," now defined in Title 36, section 2013, as a general definition;

Repeals obsolete provision;

Modifies machinery and equipment exemption to provide full exemption for purchase of converted machinery to conform to administrative practice;

Repeals obsolete definition;

Simplifies definition of "primarily;"

Repeals definition made unnecessary by rewording of short-term automobile rental provisions;

Establishes "research and development," now defined in Title 36, section 1760, subsection 32, as a general definition;

Amends definition of "retailer" to conform to other changes made by this bill;

Provides new definition for "retail sale," which deletes unnecessary wording and exclusions from taxation which have been relocated as exemptions;

Amends definition of "sale" to exclude wording which more properly defines "retail sale" and to include wording, now appearing in definition of "retail sale," which more properly defines "sale;"

Establishes "sale at retail" as a separate definition to avoid repetitious parallel references now appearing in Title 36, section 1752, subsection 11;

Amends definition of "sale price" to conform to other changes made by this bill;



Establishes "school", now defined in Title 36, section 1760, subsection 16, as a general definition;

Amends definition of "storage" to eliminate wording which is made obsolete by creation of Title 36, section 1807, which exempts from use tax property to be removed from Maine;

Repeals definition of "storage or use," which is made obsolete by creation of Title 36, section 1807, which exempts from use tax property to be removed from Maine;

Changes physical location of section;

Repeals sections which are reenacted as Title 36, sections 1821, 1822 and 1840;

Repeals interim rental provision, which is reenacted as Title 36, section 1768;

Repeals exemption provisions as a separate chapter;

Repeals legislative review provision, which is reenacted as Title 36, section 1781;

Repeals criminal provision which is reenacted, as Title 36, section 1842;

Relocates provision relating to sale of business to new administration chapter;

Relocates and retitles provision relating to burden of proof;

Repeals provisions relating to casual sales of motor vehicles and aircraft and to trade-in credits, which are reenacted as Title 36, sections 1769 and 1770;

Reenacts taxing provisions of present law in one location, with sales tax provision in more concise form and reenacts special provisions for casual sales of motor vehicles and aircraft and for trade-in credits. In this bill, Title 36, section 1785, subsection 4, an additional charge is made to allow a qualifying manufacturer to reduce dependence on foreign oil by conversion to coal without suffering a tax penalty;

Relocates Title 36, section 1953 in more concise form;

Provides a new exemption chapter including exemptions currently located in Title 36, section 1760 and provisions from various locations which have the effect of exemptions;

Repeals present sales tax imposition provision which is restated as Title 36, section 1766, certain administrative provisions which are reenacted as Title 36, sections 1834, 1835 and 1837 and criminal provision which is covered by theft provisions of Title 17-A;

Provides new administrative chapter containing provisions relating to registration and collection which are currently located in various parts of the sales and use tax law;

Repeals present use tax provision which is reenacted as Title 36, section 1767;

Repeals trust fund provisions of present law which are reenacted as Title 36, section 1831 or duplicated by provisions of pending uniform enforcement bill;

Repeals administrative provisions which are reenacted as Title 36, sections 1772, 1832, 1833, 1836, and 1840 and 1841;

Repeals general refund provision which is reenacted as Title 36, section 1838 and increases limitation period for refunds from 2 to 3 years to correspond to increase in limitation period for assessment of taxes; and

Repeals special refund provisions which are reenacted as Title 36, section 1793 and 1807.