

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 263

H. P. 226

House of Representatives, January 14, 1981

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

EDWIN H. PERT, Clerk

Presented by Mr. Sherburne of Dexter.

Cosponsor: Mrs. Locke of Sebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT Relating to Sales Tax Exemption on New and Used Farm Machinery and Equipment.

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

Sec. 1. 36 MRSA § 1760, sub-§ 42 is enacted to read:

42. New and used agricultural machinery. New or used machinery and equipment for which depreciation is allowable under the United States Internal Revenue Code and which is used by the purchaser directly and primarily in commercial production of crops or dairy products for human and animal consumption and production of livestock.

Sec. 2. 36 MRSA § 2013, sub-§ 1, ¶ A, as enacted by PL 1977, c. 686, § 5, is repealed.

Sec. 3. 36 MRSA § 2013, sub-§ 1, ¶ C, sub-¶ (1), as enacted by PL 1977, c. 686, § 5, is repealed.

Sec. 4. 36 MRSA § 2013, sub-§ 2, first and 2nd ¶¶, as enacted by PL 1977, c. 686, § 5, are amended to read:

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 **United States** 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 that~~ **purpose.**

STATEMENT OF FACT

Currently new and used agricultural machinery is subject to the sales tax, with the purchaser being entitled to a refund. This bill exempts that machinery from the sales tax, eliminating the paperwork required in processing the refund.