## MAINE STATE LEGISLATURE

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	FIRST	REGULAR	SESSION	
ONE I	IUNDRED AN	D ELEVEN	TH LEGISI	LATURE
Legislative Docu	ment			No. 50
H.P. 426		House of	Representat	ives, February 1, 198
Received by th Committee on Tax				1983. Referred to the Joint Rule 14.
			ED	WIN H. PERT, Cler
Presented by Repro Cosponsors: For Eastport and Se	epresentative	Moholland	of Princeton	, Representative Vose
	STA	TE OF MA	INE	
NII	IN THE VETEEN HUN		- OUR LORD EIGHTY-	THREE
	Relating Mobile E and		under th	
Be it enacted follows:	l by the P	eople of	the Stat	te of Maine as
Sec. 1. read:	36 MRSA	§1752,	sub-§7-0	C is enacted to
7-C. Spe	cial mobi	le equip	ment. "S	Special mobile
				ed vehicle not
designed or upersons or				nsportation of ly operated or
				d construction
				ging apparatus,
stone crushe	rs, air	compres	sors, po	ower shovels,
cranes, gi	aders,	rollers	, well-	-drillers and
wood-sawing				
				all not opera

to exclude other such vehicles which are within the general terms of this section.

Sec. 2. 36 MRSA §1765, as amended by PL 1979, c.
541, Pt. A, §222, is further amended to read:

§1765. Trade-in credit for vehicles, boats or aircraft

When one or more motor vehicles, special mobile equipment, farm tractors, boats, aircraft or self-propelled vehicles used to harvest lumber are traded in toward the sale price of another motor vehicle, special mobile equipment, 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.

## STATEMENT OF FACT

The existing sales tax laws relating to trade-in credits discriminate against purchasers of special mobile equipment, as defined in the motor laws. This bill provides trade-in credit on the purchase of such equipment for sales tax application. It should be noted that since most of this type of equipment is used in the construction of publicly funded projects, the taxpayer is the ultimate consumer and, as such, pays for the additional sales tax imposed under existing law. Any loss of sales tax income would be balanced, in part, by lesser charges against the consumer. This bill provides for more consistent application of the sales tax law.

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