

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 23

6
7 H.P. 25

House of Representatives, January 3, 1985

8 Reference to the Committee on Taxation suggested and ordered printed.

9 EDWIN H. PERT, Clerk

10 Presented by Representative Connors of Franklin.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Permit the Interstate Commerce
18 Exemption on Sales Tax to Apply to
19 Persons who Lease Vehicles which are
20 Placed in Interstate Commerce.
21

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

24 36 MRSA §1760, sub-§41, as amended by PL 1981, c.
25 705, Pt. K, is further amended to read:

26 41. Certain instrumentalities of interstate or
27 foreign commerce. The sale of a vehicle, railroad
28 rolling stock, aircraft or watercraft which is placed
29 in use by the purchaser as an instrumentality of in-
30 terstate or foreign commerce within 30 days after
31 that sale and which is used by the purchaser not less
32 than 80% of the time for the next 2 years as an in-
33 strumentality of interstate or foreign commerce.
34 This exemption applies to vehicle lessors who lease
35 to an owner as defined in Title 29, section 1. The
36 State Tax Assessor may for good cause extend for not

1 more than 30 days the time for placing the instrumen-
2 tality in use in interstate or foreign commerce. For
3 purposes of this subsection, property is "placed in
4 use as an instrumentality of interstate or foreign
5 commerce" by its carrying of, or providing the motive
6 power for the carrying of, a bona fide payload in in-
7 terstate or foreign commerce, or by being dispatched
8 to a specific location at which it will be loaded
9 upon arrival with, or will be used as motive power
10 for the carrying of, a payload in interstate or fore-
11 eign commerce. For purposes of this subsection, "bona
12 fide payload" means a cargo of persons or property
13 transported by a contract or common carrier for com-
14 pensation which exceeds the direct cost of carrying
15 that cargo or pursuant to a legal obligation to pro-
16 vide service as a public utility or a cargo of prop-
17 erty transported in the reasonable conduct of the
18 purchaser's own nontransportation business in inter-
19 state commerce.

20

STATEMENT OF FACT

21 This bill allows the interstate commerce exemp-
22 tion to sales tax to apply to persons who lease vehi-
23 cles which are entered into interstate commerce.

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