

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 240

6
7 H.P. 206

House of Representatives, January 29, 1985

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

9 EDWIN H. PERT, Clerk

10 Presented by Representative Foster of Ellsworth.

Cosponsored by Representative Holloway of Edgecomb.

11
12 STATE OF MAINE
13

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

17 AN ACT to Exempt Lobster Feed and
18 Medication Necessary for the Lobster Pound
19 Business from the State Sales Tax.
20

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

23 36 MRSA §1760, sub-§7 is amended to read:

24 7. Products used in agricultural and
25 aquacultural production, and bait. Sales of seed,
26 feed, hormones, fertilizer, pesticides, insecticides,
27 fungicides, antibiotics, weed killers, defoliants
28 defoliants, litter and medicines used in agricultural
29 and aquacultural production and sales of bait to com-
30 mercial fishermen.

1 STATEMENT OF FACT

2 Although many lobster pound keepers who have been
3 feeding fish parts to their lobsters have assumed
4 that that feed was exempt, they have learned that
5 present law requires collection of sales tax from
6 buyers of any lobster feed. Likewise, sales tax is
7 required in the sale of medication for the treatment
8 of "red-tail" (gaffkemia) in lobster pound popula-
9 tions. This tax treatment is considered inequitable
10 since present law exempts the sale of agricultural
11 feed and medicines, but makes no similar provision
12 for aquaculture. Th Attorney General has ruled that
13 aquaculture is not included within the term "agricul-
14 ture."

15 In order to address this inequity, it is the pur-
16 pose of this bill that the Revised Statutes Title 36,
17 section 1760, subsection 7, be amended to add the
18 reference to these products. No adverse impact to
19 present sales tax revenues is expected, since appar-
20 ently no sales taxes are being collected from the
21 sale of fish parts and no gaffkemia medication has
22 been finally approved. The effect would only be to
23 forego future sales tax collections from sellers of
24 processed feed and medication which would be more
25 than offset by the benefits given to this important
26 Maine industry.

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