

# 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)

1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 355

6  
7 H.P. 285

House of Representatives, February 1, 1985

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

9 EDWIN H. PERT, Clerk

10 Presented by Representative Armstrong of Wilton.

Cosponsored by Representative Lord of Waterboro, Representative Sherburne of Dexter and Representative Twitchell of Oxford.

11  
12 STATE OF MAINE  
13

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

17 AN ACT to Provide Sales Tax Equity for  
18 Lessees of Depreciable Machinery and  
19 Equipment.  
20

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

23 Sec. 1. 36 MRSA §2013, sub-§1, ¶C, as enacted by  
24 PL 1977, c. 686, §5, is amended to read:

25 C. "Depreciable machinery and equipment" means  
26 that part of the following machinery and equip-  
27 ment for which depreciation is allowable under  
28 the Internal Revenue Code:

29 (1) New or used machinery and equipment for  
30 use by ~~the purchaser~~ directly and primarily  
31 in commercial agricultural production, in-  
32 cluding self-propelled vehicles, attachments  
33 and equipment for the production of field  
34 and orchard crops; new or used machinery and  
35 equipment used in production of milk and in

1 animal husbandry and production of live-  
2 stock, including poultry; or

3 (2) New or used watercraft used primarily  
4 for commercial fishing; and nets, traps, ca-  
5 bles, tackle and related equipment necessary  
6 to the operation of a commercial fishing  
7 venture.

8 Sec. 2. 36 MRSA §2013, sub-§2, as amended by PL  
9 1983, c. 571, §3, is further amended to read:

10 2. Credit authorized. Any person, association of  
11 persons, firm or corporation who purchases or leases  
12 depreciable machinery or equipment for use in commer-  
13 cial agricultural production or commercial fishing  
14 shall be refunded the amount of sales tax paid by him  
15 by presenting to the State Tax Assessor evidence that  
16 the machinery or equipment complies with the defini-  
17 tions of subsection 1.

18 Evidence required by the State Tax Assessor shall in-  
19 clude, but not be limited to, a copy or copies of  
20 that portion of the purchaser's most recent filing  
21 under the Internal Revenue Code which indicates that  
22 the purchaser is in fact engaged in commercial agri-  
23 cultural production or commercial fishing and that  
24 the purchased machinery or equipment is depreciable  
25 for those purposes or would be depreciable for those  
26 purposes if owned by the lessee.

27 In the event that any piece of machinery or equipment  
28 shall be only partially depreciable under the Inter-  
29 nal Revenue Code, any reimbursement of the sales tax  
30 shall be prorated accordingly.

31 Application for refunds shall be filed with the State  
32 Tax Assessor within 36 months of the date of purchase  
33 or execution of the lease or leases executed subse-  
34 quent to July 1, 1983.

35 STATEMENT OF FACT

36 This bill provides equal treatment for lessees of  
37 machinery or equipment used in commercial agricultur-  
38 al production or commercial fishing by permitting

1       them to claim a refund of sales tax in the same man-  
2       ner as persons who purchase such machinery or equip-  
3       ment, if the machinery would have been depreciable if  
4       purchased by the lessee. Under current practice,  
5       where title to the machinery or equipment is retained  
6       by the lessor, the lessor depreciates the equipment  
7       but the sales tax is passed on by the lessee.

8

0883010385