

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 407

6  
7 H.P. 318

House of Representatives, February 5, 1985

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

9 EDWIN H. PERT, Clerk

10 Presented by Representative Swazey of Bucksport.

Cosponsored by Senator Diamond of Cumberland.

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 Used Machinery from the  
18 Sales Tax.  
19

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

22 Sec. 1. 36 MRSA §1752, sub-§7-B, as enacted by  
23 PL 1977, c. 477, §6, is amended to read:

24 7-B. New or used machinery and equipment. "New  
25 or used machinery and equipment" means new or used  
26 machinery and equipment and attachments therefor, but  
27 excludes repair parts, foundations for new or used  
28 machinery and equipment and special purpose buildings  
29 used to house or support new or used machinery and  
30 equipment. This section shall not determine in any  
31 way, either directly or implicitly the status as "new  
32 machinery or equipment" of any special purpose build-  
33 ings purchased prior to May 1, 1977, used to house or  
34 support new machinery and equipment.

1 "New or used machinery and equipment" includes parts,  
2 which are or will be capitalized, used to convert ex-  
3 isting machinery to machinery that performs a differ-  
4 ent function, manufactures a different product or ac-  
5 quires a higher productive capacity, measured by the  
6 units of production, than the highest productive ca-  
7 pacity of the machinery at any time prior to conver-  
8 sion.

9 Sec. 2. 36 MRSA §1760, sub-§31, as repealed and  
10 replaced by PL 1977, c. 477, §11, is amended to read:

11 31. New or used machinery and equipment. Sales  
12 of new or used machinery and equipment for use by the  
13 purchaser directly and primarily in the production of  
14 tangible personal property, which property is in-  
15 tended to be sold or leased ultimately for final use  
16 or consumption;

17 Sec. 3. 36 MRSA §1760, sub-§32, as enacted by PL  
18 1973, c. 580, §1, is amended to read:

19 32. New or used machinery and equipment for re-  
20 search. Sales of new or used machinery and equipment  
21 for use by the purchaser directly and exclusively in  
22 research and development in the experimental and lab-  
23 oratory sense. Such research and development shall  
24 not be deemed to include the ordinary testing or in-  
25 specting of materials or products for quality con-  
26 trol, efficiency surveys, management studies, consum-  
27 er surveys, advertising, promotions or research in  
28 connection with literary, historical or similar  
29 projects.

30 STATEMENT OF FACT

31 The purpose of this bill is to exempt sales of  
32 used machinery and equipment from the sales and use  
33 tax. Sales of new machinery are already exempt.

34 1016010785