

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 505

6
7 S.P. 187

In Senate, February 8, 1985

8 Referred to the Committee on Taxation. Sent down for concurrence and
9 ordered printed. Ordered sent forthwith.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Emerson of Penobscot.

11 Cosponsored by Representative Sherburne of Dexter and Representative
Crouse of Caribou.

12 STATE OF MAINE
13

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

17 AN ACT to Reform the Law Relating to Farm
18 Equipment Sales Tax Exemption.
19

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

22 Sec. 1. 36 MRSA §2013, sub-§1, ¶C, as amended by
23 PL 1981, c. 680, is further amended to read:

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

28 (1) New or used machinery and equipment for
29 use by the purchaser directly and primarily
30 in commercial agricultural production, in-
31 cluding self-propelled vehicles, but exclud-
32 ing motor vehicles as defined in section
33 1752, subsection 7, attachments and equip-
34 ment for the production of field and orchard
35 crops; new or used machinery and equipment

1 used in production of milk and in animal
2 husbandry and production of livestock, in-
3 cluding poultry; or

4 (2) New or used watercraft used directly
5 and primarily for commercial fishing; and
6 nets, traps, cables, tackle and related
7 equipment necessary to the operation of a
8 commercial fishing venture, but excluding
9 motor vehicles as defined in section 1752,
10 subsection 7.

11 Sec. 2. 36 MRSA §2013, sub-§3, as enacted by PL
12 1979, c. 190, is amended to read:

13 3. Exemption for large purchase after certifica-
14 tion. No sales tax shall may be paid on the purchase
15 of a single item of machinery or equipment with a
16 sales price in excess of \$5,000 \$1,000, if the pur-
17 chaser has the certification of the State Tax Asses-
18 sor that the sales tax if paid by the purchaser would
19 have been refundable under the provisions of this
20 section he is engaged in commercial agricultural pro-
21 duction or commercial fishing, and that he may pur-
22 chase depreciable machinery and equipment without
23 paying Maine sales tax. The seller is required to
24 obtain a copy of the certificate together with an af-
25 fidavit as prescribed by the State Tax Assessor, to
26 be maintained in the seller's records, attesting to
27 the qualification of the purchase for exemption pur-
28 suant to this section. In order to qualify for this
29 exemption, the depreciable machinery or equipment
30 must be suited only for use directly in commercial
31 agricultural production or commercial fishing.

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STATEMENT OF FACT

2 This bill provides for commercial farmers or com-
3 mercial fishermen to obtain a blanket exemption cer-
4 tificate from the State Tax Assessor which allows him
5 to purchase depreciable machinery or equipment with-
6 out the necessity of applying for an exemption cer-
7 tificate for each single item of equipment. Addi-
8 tionally the bill reduces the amount of purchase
9 price from \$5,000 to \$1,000 for each item which could
10 be purchased tax exempt. Sales tax would still be
11 paid on items under \$1,000 for which the purchaser
12 could apply for refund of the sales tax paid. The
13 bill also excludes motor vehicles from qualifying ma-
14 chinery and equipment.

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