

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 701

6
7 H.P. 498

House of Representatives, February 26, 1985

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

10 EDWIN H. PERT, Clerk

Presented by Representative Lander of Greenville.

11 Cosponsored by Representative McGowan of Canaan, Representative
Callahan of Mechanic Falls and Representative Tardy of Palmyra.

12 STATE OF MAINE
13

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

17 AN ACT Relating to the Taxation of Trade-in
18 Equipment.
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 enacted by
23 PL 1977, c. 686, §5, is 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 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, attachments
32 and equipment for the production of field
33 and orchard crops; new or used machinery and
34 equipment used in production of milk and in
35 animal husbandry and production of live-

1 stock, including poultry; ~~or~~

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

7 (3) New or used machinery or equipment for
8 use by the purchaser directly and primarily
9 in the construction industry, including ve-
10 hicles self propelled and otherwise, attach-
11 ments and equipment.

12 Sec. 2. 36 MRSA 2013, sub-§2, as amended by PL
13 1983, c. 571, §3, is further amended to read:

14 2. Credit authorized. Any person, association of
15 persons, firm or corporation who purchases deprecia-
16 ble machinery or equipment for use in commercial ag-
17 ricultural production ~~or~~, commercial fishing or
18 construction shall be refunded the amount of sales
19 tax paid by him by presenting to the State Tax Asses-
20 sor evidence that the machinery or equipment complies
21 with the definitions of subsection 1.

22 Evidence required by the State Tax Assessor may in-
23 clude a copy or copies of that portion of the
24 purchaser's most recent filing under the United
25 States Internal Revenue Code which indicates that the
26 purchaser is engaged in commercial agricultural pro-
27 duction ~~or~~, commercial fishing or construction and
28 that the purchased machinery or equipment is depre-
29 ciable for those purposes.

30 In the event that any piece of machinery or equipment
31 shall be only partially depreciable under the United
32 States Internal Revenue Code, any reimbursement of
33 the sales tax shall be prorated accordingly.

34 Application for refunds shall be filed with the State
35 Tax Assessor within 36 months of the date of pur-
36 chase.

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STATEMENT OF FACT

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The purpose of this bill is to provide for a sales tax credit on construction equipment traded in for new and used construction equipment.

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