

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 954

8 H.P. 671

House of Representatives, March 7, 1985

9 Referred to the Committee on Taxation. Sent up for concurrence and
10 ordered printed.

11 EDWIN H. PERT, Clerk

Presented by Representative Lisnik of Presque Isle.

12 Cosponsored by Representative Salsbury of Bar Harbor and Senator
Twitchell of Oxford.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FIVE
17

18 AN ACT Relating to Taxation of Aircraft.
19

20 Emergency preamble. Whereas, Acts of the Legis-
21 lature do not become effective until 90 days after
22 adjournment unless enacted as emergencies; and

23 Whereas, the Legislature recognized the impor-
24 tance of resolving the disparity that existed in tax-
25 ation treatment between leased and purchased air-
26 craft; and

27 Whereas, the current tax exemption for leased
28 aircraft is due to expire on July 1, 1985; and

29 Whereas, the tax exemption provided by the Re-
30 vised Statutes, Title 36, section 1760, subsection
31 46, has allowed Maine's airline industry to compete
32 effectively with other states; and

33 Whereas, the repeal of the tax exemption on
34 leased aircraft will place the airline industry in

1 Maine at a severe competitive disadvantage with other
2 states; and

3 Whereas, the repeal of the tax exemption will
4 place the repair and maintenance of aircraft in Maine
5 at an economic disadvantage because of Maine's sales
6 and use tax laws; and

7 Whereas, in the judgment of the Legislature,
8 these facts create an emergency within the meaning of
9 the Constitution of Maine and require the following
10 legislation as immediately necessary for the preser-
11 vation of the public peace, health and safety; now,
12 therefore,

13 Be it enacted by the People of the State of Maine as
14 follows:

15 Sec. 1. 36 MRSa §1760, sub-§46, as enacted by PL
16 1983, c. 851; c. 854 and c. 855, §7, is repealed and
17 the following enacted in its place:

18 46. Residential facilities for medical patients
19 and their families. Incorporated nonprofit organiza-
20 tions providing temporary residential accommodations
21 to pediatric patients suffering from critical illness
22 or disease, such as cancer, or who are accident vic-
23 tims, and adult patients with cancer, or the families
24 of the patients;

25 Sec. 2. 36 MRSa §1760, sub-§48 is enacted to
26 read:

27 48. Scheduled airlines. The sale or lease of an
28 aircraft, or replacement or repair parts thereof,
29 used by a scheduled airline, based in this State, and
30 which is regularly used in the performance of service
31 under the Regulations of the Civil Aeronautics Board,
32 Part 298;

33 Sec. 3. 36 MRSa §1760, sub-§49 is enacted to
34 read:

35 49. Community action agencies. Sales to commu-
36 nity action agencies designated in accordance with
37 Title 5, section 3519; and

1 **Emergency clause.** In view of the emergency
2 cited in the preamble, this Act shall take effect
3 when approved.

4 STATEMENT OF FACT

5 Sections 1 and 3 are housekeeping sections neces-
6 sitated by subsection numbering ambiguity.

7 Section 2 of this bill repeals the sunset provi-
8 sion contained in the Revised Statutes, Public Law
9 1983, chapter 854, which exempted leased aircraft,
10 and work performed on aircraft in Maine, from the
11 State's sales and use tax. In the short time that
12 the measure has been in effect, the tax exemption has
13 proven critical to the economic viability of the air-
14 line industry in Maine. This has meant security for
15 many Maine jobs and has helped to improve airline
16 service for the people of this State.

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