

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)

(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 234

H.P. 190 House of Representatives, February 4, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative LISNIK of Presque Isle.
Cosponsored by Senator TWITCHELL of Oxford,
Representatives CASHMAN of Old Town and SALSBURY of Bar Harbor.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT Relating to Taxation of Aircraft.
2

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

6 Whereas, the Legislature recognized the impor-
7 tance of resolving the disparity that existed in tax-
8 ation treatment between leased and purchased air-
9 craft; and

10 Whereas, the tax exemption provided by the Maine
11 Revised Statutes, Title 36, section 1760, subsection
12 48, has allowed Maine's airline industry to compete
13 effectively with other states; and

1 Whereas, the current tax exemption for leased
2 aircraft is due to expire on July 1, 1987; and

3 Whereas, the repeal of the tax exemption on
4 leased aircraft disrupts the development of the air-
5 line industry in Maine and places that industry at a
6 severe competitive disadvantage with other states;
7 and

8 Whereas, the repeal of the tax exemption places
9 the repair and maintenance of aircraft in Maine at an
10 economic disadvantage because of Maine's sales and
11 use tax laws; and

12 Whereas, in the judgment of the Legislature,
13 these facts create an emergency within the meaning of
14 the Constitution of Maine and require the following
15 legislation as immediately necessary for the preser-
16 vation of the public peace, health and safety; now,
17 therefore,

18 Be it enacted by the People of the State of Maine as
19 follows:

20 36 MRSA §1760, sub-§48, as enacted by PL 1985, c.
21 504, §2, is repealed and the following enacted in its
22 place:

23 48. Scheduled airlines. The sale or lease of an
24 aircraft, or replacement or repair parts of an air-
25 craft, used by a scheduled airline, based in this
26 State, and which is regularly used in the performance
27 of service under the regulations of the Civil Aero-
28 navitics Board, Part 298. This subsection is repealed
29 on October 1, 1989.

30 Emergency clause. In view of the emergency cited
31 in the preamble, this Act shall take effect when ap-
32 proved.

1 STATEMENT OF FACT

2 This bill continues the sales tax exemption that
3 currently exists on leased aircraft and work per-
4 formed on aircraft in the State for an additional 2
5 years. During the past 2 years that the exemption
6 has been in place, the airline industry in the State
7 has expanded and improved its service throughout the
8 State. Without the exemption, the State's airline
9 industry is at a severe competitive disadvantage with
10 respect to its out-of-state competitors who are not
11 subject to the State's sales and use tax laws.

12

1332012787