

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 274

S.P. 101

In Senate, February 9, 1987

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator RANDALL of Washington.
Cosponsored by Senator TWITCHELL of Oxford.

STATE OF MAINE

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

1 AN ACT Relating to the Taxation of Trade-in
2 Equipment.
3

4 Be it enacted by the People of the State of Maine as
5 follows:

6 Sec. 1. 36 MRSA §2013, sub-§1, ¶C, as repealed
7 and replaced by PL 1985, c. 691, §§25, 48 and c. 737,
8 Pt. A, §98, is amended to read:

9 C. "Depreciable machinery and equipment" means
10 that part of the following machinery and equip-
11 ment for which depreciation is allowable under
12 the United States Internal Revenue Code:

13 (1) New or used machinery and equipment for
14 use directly and primarily in commercial ag-
15 ricultural production, including self-

1 propelled vehicles, but excluding motor ve-
2 hicles as defined in section 1752, subsec-
3 tion 7, attachments and equipment for the
4 production of field and orchard crops; new
5 or used machinery and equipment used in pro-
6 duction of milk and in animal husbandry and
7 production of livestock, including poultry;
8 ~~or~~

9 (2) New or used watercraft used directly
10 and primarily for commercial fishing; and
11 nets, traps, cables, tackle and related
12 equipment necessary to the operation of a
13 commercial fishing venture, but excluding
14 motor vehicles as defined in section 1752,
15 subsection 7-; or

16 (3) New or used machinery or equipment for
17 use by the purchaser directly and primarily
18 in the construction industry, including ve-
19 hicles self-propelled and otherwise, attach-
20 ments and equipment.

21 Sec. 2. 36 MRSA §2013, sub-§2, as amended by PL
22 1985, c. 691, §26, is further amended to read:

23 2. Credit authorized. Any person, association
24 of persons, firm or corporation who purchases or
25 leases depreciable machinery or equipment for use in
26 commercial agricultural production ~~or~~, commercial
27 fishing or construction shall be refunded the amount
28 of sales tax paid by him by presenting to the State
29 Tax Assessor evidence that the machinery or equipment
30 complies with the definitions of subsection 1.

31 Evidence required by the State Tax Assessor may in-
32 clude a copy or copies of that portion of the
33 purchaser's or lessee's most recent filing under the
34 United States Internal Revenue Code which indicates
35 that the purchaser or lessee is engaged in commercial
36 agricultural production ~~or~~, commercial fishing or
37 construction and that the purchased machinery or
38 equipment is depreciable for those purposes or would
39 be depreciable for those purposes if owned by the
40 lessee.

1 In the event that any piece of machinery or equipment
2 shall be only partially depreciable under the United
3 States Internal Revenue Code, any reimbursement of
4 the sales tax shall be prorated accordingly.

5 Application for refunds shall be filed with the State
6 Tax Assessor within 36 months of the date of purchase
7 or execution of the lease.

8 STATEMENT OF FACT

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

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