

MAINE STATE LEGISLATURE

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(Emergency)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 580

S.P. 209

In Senate, March 2, 1987

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator TWITCHELL of Oxford.
Cosponsored by Representative JACKSON of Harrison.

STATE OF MAINE

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

1 AN ACT to Exempt from Use Tax Tangible
2 Personal Property Used in the
3 Construction of Portable Classrooms
4 for Lease to School Districts in
5 Maine.
6

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

10 Whereas, the next school year will begin, and the
11 budget for that year will be needed before the expi-
12 ration of the 90-day period; and

13 Whereas, in the judgment of the Legislature,
14 these facts create an emergency within the meaning of
15 the Constitution of Maine and require the following

1 legislation as immediately necessary for the preser-
2 vation of the public peace, health and safety; now,
3 therefore,

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

6 36 MRSA §1760, sub-§56 is enacted to read:

7 56. Portable classrooms. Sales of tangible per-
8 sonal property to be physically incorporated in and
9 become a part of portable classrooms for lease to
10 schools entitled to exemption under subsection 16.
11 If the portable classrooms are used for an otherwise
12 taxable use within 2 years from the date of the first
13 use, the lessor shall become liable for the use tax,
14 based on the original purchase price.

15 Emergency clause. In view of the emergency cited
16 in the preamble, this Act shall take effect when ap-
17 proved.

18 STATEMENT OF FACT

19 Presently, under the sales and use tax law, a use
20 tax liability exists on materials used to construct
21 portable classrooms which are leased to school dis-
22 tricts in the State. This causes an increase in
23 rental fees charged to the school districts, not only
24 for the additional costs of the use tax but also for
25 the interest on that cost. This exemption results in
26 reducing the rental fees charged for these portable
27 classrooms.

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