

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 289

H.P. 209

House of Representatives, February 21, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative FARNUM of South Berwick.  
Cosponsored by Representative MURPHY of Berwick.

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STATE OF MAINE

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

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An Act to Clarify the Sales Tax Exemption for Vehicles Used in  
Interstate or Foreign Commerce.

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1 **Be it enacted by the People of the State of Maine as follows:**

3 **36 MRSA §1760, sub-§41**, as amended by PL 1987, c. 497, §38,  
5 is further amended to read:

7 **41. Certain instrumentalities of interstate or foreign commerce.** The  
9 sale of a vehicle, railroad rolling stock, aircraft or watercraft  
11 which is placed in use by the purchaser or a lessee as an  
13 instrumentality of interstate or foreign commerce within 30 days  
15 after that sale and which is used by the purchaser or a lessee  
17 not less than 80% of the time for the next 2 years as an  
19 instrumentality of interstate or foreign commerce. The State Tax  
21 Assessor may for good cause extend for not more than 60 days the  
23 time for placing the instrumentality in use in interstate or  
25 foreign commerce. For purposes of this subsection, property is  
27 "placed in use as an instrumentality of interstate or foreign  
29 commerce" by its carrying of, or providing the motive power for  
the carrying of, a bona fide payload in interstate or foreign  
commerce, or by being dispatched to a specific location at which  
it will be loaded upon arrival with, or will be used as motive  
power for the carrying of, a payload in interstate or foreign  
commerce. For purposes of this subsection, "bona fide payload"  
means a cargo of persons or property transported by a contract or  
common carrier for compensation which exceeds the direct cost of  
carrying that cargo or pursuant to a legal obligation to provide  
service as a public utility or a cargo of property transported in  
the reasonable conduct of the purchaser's or lessee's own  
nontransportation business in interstate commerce.

31 **STATEMENT OF FACT**

33 The purpose of this bill is to clarify ambiguity in the  
35 application of the sales tax exemption for certain  
37 instrumentalities of interstate commerce. Under this bill, the  
exemption clearly applies to any vehicle put into interstate  
commerce and maintained in that service for a requisite period of  
time.