

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 438, L.D. 603, Bill, "An Act to Extend the Exemption for Sales Tax for Certain Instrumentalities of Interstate or Foreign Commerce"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 36 MRSA §1760, sub-§41, as amended by PL 1987, c. 497, §38, is further amended to read:

41. Certain instrumentalities of interstate or foreign commerce. The sale of a vehicle, railroad rolling stock, aircraft or watercraft which is placed in use by the purchaser or, in the case of a vehicle, by either the purchaser or lessee as an instrumentality of interstate or foreign commerce within 30 days after that sale and which is used by the purchaser or, in the case of a vehicle, by either the purchaser or lessee not less than 80% of the time for the next 2 years as an instrumentality of interstate or foreign commerce and, in the case of a vehicle, registered in Maine for that 2-year period. The State Tax Assessor may for good cause extend for not more than 60 days the time for placing the instrumentality in use in interstate or foreign commerce. For purposes of this subsection, property is "placed in use as an instrumentality of interstate or foreign 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

1 service as a public utility or a cargo of property transported in
2 the reasonable conduct of the purchaser's or lessee's own
3 nontransportation business in interstate commerce. This
4 subsection shall remain in effect until June 30, 1992;

5
6 **Sec. 2. 36 MRSA §1760, sub-§48,** as amended by PL 1987, c. 865,
7 §1, is further amended to read:

8
9 **48. Scheduled airlines.** The sale or lease of an aircraft,
10 or replacement or repair parts of an aircraft, used by a
11 scheduled airline, based in this State, and which is regularly
12 used in the performance of service under the regulations of the
13 Civil Aeronautics Board, Part 298 or under the United States
14 Code, Title 49, Section 1371. This subsection shall take effect
15 retroactively beginning on January 1, 1984, and shall remain in
16 effect until ~~October 1, 1989~~ June 30, 1992.

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18
19 **FISCAL NOTE**

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21 If enacted, this bill would result in a loss of revenue to
22 the General Fund of \$2,477,745 in fiscal year 1989-90 and
23 \$4,088,278 in fiscal year 1990-91. The corresponding loss of
24 revenue to the municipal revenue sharing program would be
25 \$133,155 in fiscal year 1989-90 and \$219,707 in fiscal year
26 1990-91.'

27
28
29 **STATEMENT OF FACT**

30
31 Section 1 of this amendment prospectively amends the sales
32 tax exemption for vehicles used in interstate commerce and
33 registered in Maine. Specifically, it extends the exemption to
34 all leased vehicles used in interstate commerce. Examples of
35 vehicles exempted would include all leased trucks used in
36 interstate commerce whether belonging to owner operators or to
37 leasing companies, as long as they are registered in Maine.

38
39 Section 2 of this amendment extends the sunset provision on
40 the sales tax exemption for aircraft and parts which are sold or
41 leased by a Maine-based scheduled airline.

Reported by the Majority of the Committee on Taxation
Reproduced and distributed under the direction of the Clerk of the
House
6/12/89

(Filing No. H-481)