

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 603

H.P. 438

House of Representatives, March 6, 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 Speaker MARTIN of Eagle Lake.

Cosponsored by Representative FARNUM of South Berwick, Representative MAHANY of Easton and Senator THERIAULT of Aroostook.

STATE OF MAINE

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

An Act to Extend the Exemption for Sales Tax for Certain
Instrumentalities of Interstate or Foreign Commerce.



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**
8 **commerce.** The sale of a vehicle, railroad rolling stock,
9 aircraft or watercraft which is placed in use by the purchaser as
10 an instrumentality of interstate or foreign commerce within 30
11 days after that sale and which is used by the purchaser not less
12 than 80% of the time for the next 2 years as an instrumentality
13 of interstate or foreign commerce. The State Tax Assessor may
14 for good cause extend for not more than 60 days the time for
15 placing the instrumentality in use in interstate or foreign
16 commerce. For purposes of this subsection, "use by the purchaser
17 as an instrumentality of interstate or foreign commerce"
18 includes, but is not limited to, the operation of a motor vehicle
19 in interstate or foreign commerce by its purchaser or by an
20 employee of that purchaser pursuant to an agreement under which
21 that vehicle is leased to a person who is licensed by the
22 Interstate Commerce Commission to engage in interstate or foreign
23 commerce as a common or contract carrier. For purposes of this
24 subsection, property is "placed in use as an instrumentality of
25 interstate or foreign commerce" by its carrying of, or providing
26 the motive power for the carrying of, a bona fide payload in
27 interstate or foreign commerce, or by being dispatched to a
28 specific location at which it will be loaded upon arrival with,
29 or will be used as motive power for the carrying of, a payload in
30 interstate or foreign commerce. For purposes of this subsection,
31 "bona fide payload" means a cargo of persons or property
32 transported by a contract or common carrier for compensation
33 which exceeds the direct cost of carrying that cargo or pursuant
34 to a legal obligation to provide service as a public utility or a
35 cargo of property transported in the reasonable conduct of the
36 purchaser's own nontransportation business in interstate
37 commerce. ;

39 **STATEMENT OF FACT**

41 This bill extends the existing exemption from sales and use
42 tax for certain instrumentalities of interstate or foreign
43 commerce to purchasers of vehicles who, themselves or through
44 their employees, actually operate those vehicles in interstate or
45 foreign commerce but who, under existing law, are deemed not to
46 use those vehicles as instrumentalities of interstate or foreign
47 commerce because they have leased those vehicles to carriers
48 licensed by the Interstate Commerce Commission in order to comply
49 with Interstate Commerce Commission requirements.