

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

SECOND REGULAR SESSION-1996

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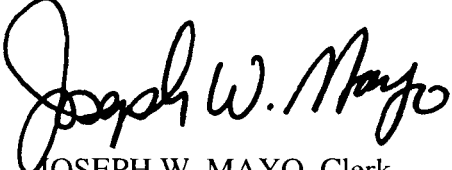
H.P. 1293

House of Representatives, February 13, 1996

An Act to Exempt Farms from the Sales Tax on Electricity.

Reported by Representative SPEAR for the Commission to Study Options for Preserving the Dairy Industry in the State pursuant to Resolve 1995, chapter 35, section 6.

Reference to the Joint Standing Committee on Taxation suggested and printing ordered under Joint Rule 20.


JOSEPH W. MAYO, Clerk

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

Sec. 1. 36 MRSA §1752, sub-§9-B, as amended by PL 1989, c. 501, Pt. V, §5, is further amended to read:

9-B. **Production.** "Production" means an operation or integrated series of operations engaged in as a business or segment of a business which that transforms or converts personal property by physical, chemical or other means into a different form, composition or character from that in which it originally existed.

Production includes manufacturing, processing, assembling and fabricating operations which that meet the definitional requisites and, notwithstanding other provisions of this section, also includes farm production operations.

Production does not include biological processes, wood harvesting operations, the severance of sand, gravel, oil, gas or other natural resources produced or severed from the soil or water, or activities such as cooking or preparing drinks, meals, food or food products by a retailer for retail sale. The foregoing are examples of activities that are not included within the term "production."

STATEMENT OF FACT

This bill is one of six submitted by the Commission to Study Options for Preserving the Dairy Industry in Maine.

This bill includes farm production under the definition of production for purposes of dealing with the sales and use tax. This qualifies a farm as a manufacturing facility and thus qualifies it for the exemption from electricity sales tax given by the Maine Revised Statutes, Title 36, section 1760, subsection 9-D.