

MAINE STATE LEGISLATURE

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L.D. 162

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DATE: June 3, 1999 (Filing No. S- 419)

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STATE OF MAINE
SENATE
119TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT " A " to COMMITTEE AMENDMENT "A" to H.P. 131, L.D. 162, Bill, "An Act to Make Minor Substantive Changes in the Tax Laws"

Amend the amendment by striking out all of the first indented paragraph and inserting in its place the following:

'Amend the bill in Part A by striking out all of section 1 and inserting in its place the following:

'Sec. A-1. 36 MRSA §142, as amended by PL 1997, c. 504, §2, is further amended to read:

§142. Cancellation and abatement

The State Tax Assessor may, within 3 years from the date of assessment, or whenever a written request has been submitted by a taxpayer within 3 years of the date of assessment, cancel any tax that has been levied illegally. In addition, if justice requires, the ~~State-Tax-Assessor~~ assessor may, with the approval of the Governor or the Governor's designee, abate within 3 years from the date of assessment, or whenever a written request has been submitted by a taxpayer within 3 years of the date of assessment, all or any part of any tax assessed by the ~~State-Tax Assessor~~ assessor.'

Further amend the bill in Part A by inserting after section 3 the following:

'Sec. A-4. 36 MRSA §841, sub-§8, as enacted by PL 1979, c. 73, is amended to read:

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2 **8. Approval of the Governor.** The State Tax Assessor may
3 abate taxes under this section only with the approval of the
4 Governor or the Governor's designee.'

6 Further amend the bill in Part A by striking out all of
7 section 5 and inserting in its place the following:

8 '**Sec. A-5. 36 MRSA §1760**, as amended by PL 1999, c. 286, §1,
10 is further amended by amending the first paragraph to read:

12 No Subject to the provisions of section 1760-C, no tax on
13 sales, storage or use shall ~~may~~ be collected upon or in
14 connection with:''

16 Further amend the amendment by inserting after the 5th
17 indented paragraph after the title (page 1, line 38 in amendment)
18 the following:

20 '**Sec. A-7. 36 MRSA §1760-C** is enacted to read:

22 **§1760-C. Exempt activities**

24 Unless otherwise provided by section 1760, the sales or use
25 tax exemptions provided by that section to a purchaser apply only
26 if the property or service sold is intended to be used by the
27 purchaser primarily in the activity identified by the particular
28 exemption. Exemption certificates issued by the State Tax
29 Assessor pursuant to section 1760 must identify the exempt
30 activity and must state that the certificate may be used by the
31 holder only to purchase property or services intended to be used
32 by the holder primarily in the exempt activity. When an
33 otherwise qualifying exempt person is engaged in both exempt and
34 nonexempt activities, an exemption certificate may be issued to
35 the person only if the person has established to the satisfaction
36 of the assessor that the applicant has adequate accounting
37 controls to limit the use of the certificate to exempt purchases.'

38 Further amend the amendment by relettering or renumbering
39 any nonconsecutive Part letter or section number to read
40 consecutively.

42
44 **SUMMARY**

46 This amendment adds 4 sections to the bill that were
47 inadvertently omitted from the Committee Amendment to L.D. 1277,
48 An Act Concerning Technical Changes to the Tax Laws. These 4
49 sections permit the Governor to designate a person to approve
50 abatements, clarify that purchases that are exempt from the sales
tax must be used primarily in the activity identified by the

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L.D. 162

applicable exemption provision and establish administrative
procedures to ensure compliance.

SPONSORED BY:

(Senator MICHAUD)

COUNTY: Penobscot

SENATE AMENDMENT