

MAINE STATE LEGISLATURE

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H. D.

L.D. 2510

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DATE: April 24, 2000

(Filing No. S-727)

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to H.P. 1790, L.D. 2510, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2000 and June 30, 2001"

Amend the amendment by inserting after Part DDDD the following:

PART EEEE

Sec. EEEE-1. 36 MRSA §2013, sub-§§2 and 3, as amended by PL 1993, c. 151, §1, are further amended to read:

2. Refund authorized. Any person, association of persons, firm or corporation ~~who~~ that purchases electricity, or that purchases or leases depreciable machinery or equipment, for use in commercial agricultural production, commercial fishing or commercial aquacultural production must be refunded the amount of sales tax paid by upon presenting to the State Tax Assessor evidence that ~~the--machinery--or--equipment--complies--with--the definitions of subsection 1~~ the purchase is eligible for refund under this section.

Evidence required by the ~~State-Tax-Assessor~~ assessor may include a copy or copies of that portion of the purchaser's or lessee's most recent filing under the United States Internal Revenue Code that indicates that the purchaser or lessee is engaged in commercial agricultural production, commercial fishing or commercial aquacultural production and that the purchased machinery or equipment is depreciable for those purposes or would be depreciable for those purposes if owned by the lessee.

SENATE AMENDMENT

In the event that any piece of machinery or equipment is only partially depreciable under the United States Internal Revenue Code, any reimbursement of the sales tax must be prorated accordingly.

Application for refunds must be filed with the State-Tax-Assessor assessor within 36 months of the date of purchase or execution of the lease.

3. Purchases made free of tax with certificate. Sales tax ~~is not~~ need not be paid on the purchase of electricity or of a single item of machinery or equipment if the purchaser has the ~~certification--of~~ obtained a certificate from the State--Tax Assessor assessor stating that the purchaser is engaged in commercial agricultural production, commercial fishing or commercial aquacultural production and ~~that~~ authorizing the purchaser may to purchase electricity or depreciable machinery and equipment without paying Maine sales tax. The seller is required to obtain a copy of the certificate together with an affidavit as prescribed by the State-Tax-Assessor assessor, to be maintained in the seller's records, attesting to the qualification of the purchase for exemption pursuant to this section. In order to qualify for this exemption, the electricity or depreciable machinery or equipment must be used directly in commercial agricultural production, commercial fishing or commercial aquacultural production.

Sec. EEEE-2. Effective date. That section of this Part that amends the Maine Revised Statutes, Title 36, section 2013, subsections 2 and 3 takes effect for sales of electricity made on or after July 1, 2000.'

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

FISCAL NOTE

This amendment will result in net reductions of General Fund revenue of \$237,487 in fiscal year 2000-01, \$252,434 in fiscal year 2001-02 and \$257,179 in fiscal year 2002-03 as a result of the sales tax exemption for electricity used in commercial agriculture, fishing or aquaculture. This amendment will also decrease dedicated revenue to the Local Government Fund for state-municipal revenue sharing in those years by \$12,763, \$13,566 and \$13,821, respectively.

H.S.

SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to H.P. 1790,
L.D. 2510

2 Due to the projected General Fund unappropriated surplus at
the end of the 2000-2001 biennium, a balanced budget is
4 maintained for the 2000-2001 biennium.

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SUMMARY

This amendment provides a sales tax exemption for
10 electricity used in commercial agricultural production,
commercial fishing or commercial aquacultural production
12 beginning July 1, 2000.

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16 SPONSORED BY: Kilg
(Senator KILKELLY)

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COUNTY: Lincoln

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SENATE AMENDMENT