

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1044

H.P. 761

House of Representatives, February 26, 2003

An Act Regarding Taxation inside the Passamaquoddy Indian Territory

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MOORE of the Passamaquoddy Tribe.

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

4 Sec. 1. 36 MRSA c. 919-A is enacted to read:

6 CHAPTER 919-A

8 PASSAMAQUODDY INDIAN TERRITORY
TAX-FREE ZONE

10 §6901. Passamaquoddy Indian territory

12 1. Exempt. Notwithstanding any other provision of law, the
14 Passamaquoddy Indian territory, as defined in Title 30, section
16 6205, constitutes a tax-free zone. Any taxes or payments in lieu
18 of taxes imposed under the laws of the State do not apply to any:

20 A. Real property situated inside the Passamaquoddy Indian
22 territory;

24 B. Personal property ordinarily kept inside the
26 Passamaquoddy Indian territory;

28 C. Activity, event, transaction or occurrence that takes
30 place inside the Passamaquoddy Indian territory;

32 D. Income received by a person or entity that was derived
34 directly from the natural resources of the Passamaquoddy
36 Indian territory; or

38 E. Income derived from activities conducted within the
40 Passamaquoddy Indian territory.

42 2. Use tax; exempt. A person or entity that purchases
44 property inside the Passamaquoddy Indian territory is exempt from
46 the use tax on the property purchased.

48 3. Taxable transaction. Any transfer of title to real
50 property made inside the Passamaquoddy Indian territory with
respect to property located outside the Passamaquoddy Indian
territory is subject to tax.

52 **Sec. 2. Effective date; certification.** This Act does not take
54 effect unless, within 60 days after the adjournment of the
56 Legislature, the Secretary of State receives written
58 certification by the Joint Tribal Council of the Passamaquoddy
60 Tribe that the tribe has agreed to the provisions of this Act
pursuant to 25 United States Code, Section 1725(e)(1), copies of
which must be submitted by the Secretary of State to the
Secretary of the Senate and the Clerk of the House of
Representatives and the

2 Revisor of Statutes, except that in no event may this Act become
effective until 90 days after adjournment of the Legislature.

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6 SUMMARY

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8 This bill establishes the Passamaquoddy Indian territory as
a tax-free zone and makes activities conducted inside the
Passamaquoddy Indian territory tax exempt.