

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1214

S.P. 402

March 7, 2007

An Act To Improve the Competitiveness of Maine's Boat Building Industry

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DAMON of Hancock.

Cosponsored by Representative MacDONALD of Boothbay and Senators: DOW of Lincoln, President EDMONDS of Cumberland, Representatives: PERCY of Phippsburg, SCHATZ of Blue Hill.

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

2 **Sec. 1. 36 MRSA §1760, sub-§25**, as amended by PL 2005, c. 218, §22, is
3 further amended to read:

4 **25. Watercraft sold to nonresidents.** Sales of watercraft to a nonresident, ~~when the~~
5 ~~watercraft is intended to be sailed or transported outside the State immediately upon~~
6 ~~delivery by the seller; sales to a nonresident, under contracts for the construction of a~~
7 ~~watercraft intended to be sailed or transported outside the State immediately upon~~
8 ~~delivery by the seller, ; sales to a nonresident~~ of materials to be incorporated in the
9 watercraft; and sales to a nonresident for the repair, alteration, refitting, reconstruction,
10 overhaul or restoration of a watercraft ~~intended to be sailed or transported outside the~~
11 ~~State immediately upon delivery by the seller, of materials to be incorporated in the~~
12 ~~watercraft. Unless the watercraft is present in the State, for a purpose other than~~
13 ~~temporary storage, for more than 30 days during the 12 month period following its date~~
14 ~~of purchase or is registered in Maine without also being registered in another state or~~
15 ~~documented with a location in this State, within 12 months of the date of purchase, the~~
16 ~~purchaser is exempt from the use tax.~~ Notwithstanding section 1752-A, for purposes of
17 this subsection, the term "nonresident" may include an individual, an association, a
18 society, a club, a general partnership, a limited partnership, a domestic or foreign limited
19 liability company, a trust, an estate, a domestic or foreign corporation and any other legal
20 entity.

21 **Sec. 2. Effective date.** This Act takes effect October 1, 2007.

22 SUMMARY

23 Current law provides an exemption from the sales tax to a nonresident who purchases
24 a watercraft or materials for the repair or alteration of a watercraft only if the watercraft is
25 transported outside of the State immediately after the sale. If the watercraft is present in
26 the State, other than for temporary storage, for more than 30 days during the 12 months
27 following the sale, then the purchaser is subject to use tax.

28 This bill removes the time restrictions, thus providing a sales and use tax exemption
29 to watercraft or materials sold to a nonresident of Maine, regardless of the amount of time
30 the watercraft remains in the State.