

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 123rd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2008

---

Legislative Document

No. 2225

S.P. 857

February 26, 2008

**An Act To Provide Tax Relief to Maine's Forest Products Industry**

(EMERGENCY)

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SCHNEIDER of Penobscot. (GOVERNOR'S BILL)  
Cosponsored by Speaker CUMMINGS of Portland and Senators: NASS of York, PERRY of Penobscot, SMITH of Piscataquis, Representatives: CLARK of Millinocket, KNIGHT of Livermore Falls, PIOTTI of Unity, THOMAS of Ripley, WATSON of Bath.

1       **Emergency preamble. Whereas,** acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3       **Whereas,** Maine is dependent on its natural resources-based economy; and

4       **Whereas,** the price of diesel fuel in Maine is at an all-time high and is devastating  
5 the Maine economy, especially with regard to loggers and truckers carrying forest  
6 products; and

7       **Whereas,** Governor John E. Baldacci has already issued a Declaration of Civil  
8 Emergency regarding the high price of diesel fuel and its impact on the State's forest  
9 products industry; and

10       **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
11 the meaning of the Constitution of Maine and require the following legislation as  
12 immediately necessary for the preservation of the public peace, health and safety; now,  
13 therefore,

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

15       **Sec. 1. 36 MRSA §1752, sub-§2-D** is enacted to read:

16       **2-D. Forest land.** "Forest land" means land used primarily for the growth of trees to  
17 be harvested for commercial use.

18       **Sec. 2. 36 MRSA §1752, sub-§2-E** is enacted to read:

19       **2-E. Forest products.** "Forest products" means logs, pulpwood, bolt wood, wood  
20 chips, stud wood, poles, pilings, biomass or fuel wood or other products commonly  
21 known as forest products, but does not include Christmas trees, maple syrup, nursery  
22 products used for ornamental purposes, wreaths, bough material or cones or other seed  
23 crops.

24       **Sec. 3. 36 MRSA §2019** is enacted to read:

25       **§2019. Refund of sales tax on purchases of parts and supplies**

26       **1. Definition.** For purposes of this section, "harvest-related transport of forest  
27 products" means the transportation of forest products from the forest land where they  
28 were harvested to their initial destination involving production or use.

29       **2. Refund authorized.** The State Tax Assessor shall refund to a person that  
30 purchases parts and supplies for use in the repair and maintenance of motor vehicles and  
31 trailers that are used directly and primarily in the harvest-related transport of forest  
32 products the amount of sales tax paid upon the person's presenting evidence that the  
33 purchase is eligible for a refund under this section. Evidence required by the assessor may  
34 include a copy or copies of that portion of the purchaser's most recent filing under the  
35 Code indicating that the purchaser is engaged in the harvest-related transport of forest

1 products. An application for a refund under this subsection must be filed with the assessor  
2 within 36 months of the date of purchase.

3 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the  
4 purchase of parts and supplies for use in the repair and maintenance of motor vehicles  
5 and trailers that are used directly and primarily in the harvest-related transport of forest  
6 products if the purchaser has obtained a certificate from the assessor stating that the  
7 purchaser is engaged in the harvest-related transport of forest products and authorizing  
8 the purchaser to purchase parts and supplies for use in the repair and maintenance of  
9 motor vehicles and trailers without paying Maine sales tax. The seller shall obtain a copy  
10 of the certificate together with an affidavit as prescribed by the assessor, to be maintained  
11 in the seller's records, attesting to the qualification of purchases for exemption pursuant to  
12 this section. In order for the purchase of parts and supplies to qualify for this exemption,  
13 the motor vehicle or trailer to be repaired or maintained must be used directly and  
14 primarily in the harvest-related transport of forest products.

15 **4. Repeal.** This section is repealed October 1, 2008.

16 **Sec. 4. Transfer funds.** Notwithstanding any other provision of law, the Governor  
17 shall transfer by financial order \$175,000 by March 1, 2008 and \$125,000 by July 1, 2008  
18 from the emergency portion of the State Contingent Account to the unappropriated  
19 surplus of the General Fund.

20 **Sec. 5. Appropriations and allocations.** The following appropriations and  
21 allocations are made.

22 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

23 **Revenue Services - Bureau of 0002**

24 Initiative: Allocates funds for computer programming and mailing and printing costs.

25 <b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
26 All Other	\$7,000	\$0
27		
28 <b>GENERAL FUND TOTAL</b>	<hr/> \$7,000	<hr/> \$0

29 **Emergency clause.** In view of the emergency cited in the preamble, this  
30 legislation takes effect when approved.

31 **SUMMARY**

32 This bill provides for a sales tax exemption for repair parts and maintenance supplies  
33 used for motor vehicles and trailers primarily engaged in the transport of harvested forest  
34 products. The exemption is repealed on October 1, 2008. The bill also authorizes the  
35 Governor to transfer funds by financial order from the emergency portion of the State  
36 Contingent Account to the unappropriated surplus of the General Fund.