

MAINE STATE LEGISLATURE

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Date: 4/8/19

L.D. 74

(Filing No. H-59)

AGRICULTURE, CONSERVATION AND FORESTRY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 64, L.D. 74, "Resolve, To Review and Update Sales Tax Exemptions for Products Purchased for Agricultural Use"

Amend the resolve by striking out everything after the title and before the summary and inserting the following:

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

Whereas, interpretations of statute and communication of interpretations are essential for consistent implementation of laws; and

Whereas, the review of certain sales tax exemptions by 3 state agencies is a first step in developing recommendations for improvements in rules and bulletins; and

Whereas, these recommendations need to come back to the joint standing committees of jurisdiction; and

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

Sec. 1. Review of rules and bulletins. Resolved: That the Department of Agriculture, Food and Rural Resources, referred to as "the department" in this resolve, shall review the rules and bulletins of the Department of Administrative and Financial Services, Bureau of Revenue Services, referred to in this resolve as "the bureau," related to sales tax exemptions for the purchase of products used in commercial agricultural crop production or in animal agriculture pursuant to the Maine Revised Statutes, Title 36, section 1760, subsections 7-B and 7-C and the refund of sales taxes related to machinery and equipment purchases for commercial agricultural production pursuant to Title 36, section 2013. The department shall determine whether or not the appropriate products, machinery and equipment are included in rules or in bulletins written and distributed by

COMMITTEE AMENDMENT

1 the bureau to interpret the statutory provisions for sales tax exemptions and sales tax
2 refunds pertaining to agriculture.

3 The department shall confer with the Department of Conservation on the advisability
4 of including the growing of trees for harvest in the definition of "commercial agricultural
5 crop production." No later than September 15, 2009, the department shall provide the
6 bureau with any recommended changes to the bureau's rules and bulletins; and be it
7 further

8 **Sec. 2. Notice of revisions to and interpretations of rules and bulletins.**

9 **Resolved:** That the bureau shall provide the department with a description of the
10 process used to notify the public, and retailers and wholesalers in particular, of
11 amendments to the bureau's rules and revisions to the bureau's bulletins regarding
12 products qualifying for sales tax exemptions or equipment and machinery eligible for a
13 sales tax refund. The bureau shall also provide the department with a description on how
14 the bureau responds to requests for an interpretation of the statutes, rules or bulletins
15 developed to implement the statutes. The bureau, in consultation with the department,
16 shall develop a protocol for documenting requests for interpretations and responding to
17 them. The goal of this review is to improve the bureau's ability to deliver consistent
18 responses to inquiries and accountability within the bureau; and be it further

19 **Sec. 3. Report and recommendations submitted to joint standing**

20 **committees. Resolved:** That the bureau shall review the recommendations of the
21 department under section 1 and prepare proposed changes to the bureau's rules and
22 bulletins based on the recommendations. The bureau shall prepare a response to the
23 department's recommended changes that includes the bureau's comments on each
24 recommended change and any statutory changes needed to implement the department's
25 recommendations, and include this information in its report to the legislative committees
26 along with an estimate of the fiscal impact of each recommendation.

27 The bureau shall report its findings and any recommendations to the Joint Standing
28 Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation
29 and Forestry by January 15, 2010. The report must include a description of an improved
30 protocol to respond to requests for interpretations as developed under section 2. The
31 recommendations may include revisions to the bureau's bulletins or rules or convey a
32 decision to adopt rules to clarify products eligible for the sales tax exemption and
33 purchases eligible for a refund of sales tax. The Joint Standing Committee on Taxation
34 and the Joint Standing Committee on Agriculture, Conservation and Forestry may each
35 submit legislation to the Second Regular Session of the 124th Legislature relating to the
36 report.

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

39 **SUMMARY**

40 This amendment requires the Department of Agriculture, Food and Rural Resources
41 to confer with the Department of Conservation prior to making recommendations to the
42 Department of Administrative and Financial Services, Bureau of Revenue Services
43 regarding sales tax exemptions for products used in commercial agricultural crop

1 production. It also requires the bureau to develop a protocol for responding to requests
2 for interpretations regarding sales tax exemptions and refunds and to include a description
3 of the protocol in the bureau's report. It also authorizes both the Joint Standing
4 Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation
5 and Forestry to submit legislation.

FISCAL NOTE REQUIRED

(See attached)



124th MAINE LEGISLATURE

LD 74

LR 566(02)

Resolve, To Review and Update Sales Tax Exemptions for Products Purchased for Agricultural Use

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Agriculture, Conservation and Forestry

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Pending recommendations from the Department of Agriculture, Food and Rural Resources, Maine Revenue Services will review the rules and bulletins related to sales tax exemptions for agricultural products and recommend changes to the legislature. Additional costs to the Department of Agriculture, Food and Rural Resources, Department of Conservation and Maine Revenue Services associated with the review can be absorbed within existing budgeted resources.