

# MAINE STATE LEGISLATURE

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

COMMITTEE AMENDMENT "A" to H.P. 473, L.D. 659, Bill, "An Act To Remove the Sales Tax on Watercraft"

Amend the bill by striking out the title and substituting the following:

'An Act To Remove the Sales Tax on Certain Watercraft'

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 36 MRSA §1760, sub-§25, as amended by PL 2007, c. 438, §39, is further amended to read:

25. Watercraft sold to nonresidents. Sales of watercraft to a person that is not a resident of this State, when the watercraft is intended to be sailed or transported outside the State immediately upon delivery by the seller; sales to a person that is not a resident of this State, under contracts for the construction of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller, of materials to be incorporated in the watercraft; and sales to a person that is not a resident of this State for the repair, alteration, refitting, reconstruction, overhaul or restoration of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller, of materials to be incorporated in the watercraft. Unless the watercraft is present in the State, for a purpose other than temporary storage, for more than 30 days during the 12-month period following its date of purchase or is registered in Maine without also being registered in another state or documented with a location in this State, within 12 months of the date of purchase, the purchaser is exempt from the use tax.'

SUMMARY

This amendment changes the sales tax exemption for watercraft and related materials sold to nonresidents to eliminate the requirement that the watercraft be removed from the State immediately upon delivery by the seller.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



# 124th MAINE LEGISLATURE

LD 659

LR 392(02)

## An Act To Remove the Sales Tax on Watercraft

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

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
<b>Net Cost (Savings)</b>				
General Fund	\$362,309	\$527,936	\$549,053	\$571,016
<b>Revenue</b>				
General Fund	(\$362,309)	(\$527,936)	(\$549,053)	(\$571,016)
Other Special Revenue Funds	(\$19,471)	(\$28,372)	(\$29,507)	(\$30,687)

#### Fiscal Detail and Notes

This bill includes an exemption from Maine sales tax for all Maine nonresident purchases of watercraft and any material sold to construct, repair, alter, refit, reconstruct, overhaul or restore a watercraft. This exemption will reduce General Fund revenue by \$362,309 in 2009-10 and \$527,936 in 2010-11. This exemption will also reduce Local Government Fund revenue by \$19,471 in 2009-10 and \$28,372 in 2010-11. The additional costs to Maine Revenue Services associated with this sales tax exemption can be absorbed within existing budgeted resources.