

# MAINE STATE LEGISLATURE

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SMC  
R03

L.D. 659

Date: 4-7-10

(Filing No. S-544)

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STATE OF MAINE  
SENATE  
124TH LEGISLATURE  
SECOND REGULAR SESSION

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

Amend the amendment by striking out the substitute title and replacing it with the following:

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

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

'Sec. 1. 36 MRSA §1760, sub-§25, as amended by PL 2009, c. 361, §18, is repealed and the following enacted in its place:

25. Watercraft purchased by nonresidents. Sales to or use by a person that is not a resident of this State of watercraft or materials used in watercraft as specified in this subsection.

A. The following are exempt when the sale is made in this State to a person that is not a resident of this State and the watercraft is sailed or transported outside the State within 30 days of delivery by the seller:

- (1) A watercraft;
- (2) Sales, under contract for the construction of a watercraft, of materials to be incorporated in that watercraft; and
- (3) Sales of materials to be incorporated in the watercraft for the repair, alteration, refitting, reconstruction, overhaul or restoration of that watercraft.

B. Notwithstanding subsection 45, paragraph A-1, the sale of a watercraft is exempt if the watercraft is purchased and used by the present owner outside the State if the watercraft is registered outside the State by an owner who is an individual and the watercraft is present in the State not more than 30 days for a purpose other than temporary storage during the 12 months following its purchase.

C. If, for a purpose other than temporary storage, a watercraft is present in the State for more than 30 days during the 12-month period following its date of purchase, the exemption is 60% of the sale price of the watercraft or materials for the construction,

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repair, alteration, refitting, reconstruction, overhaul or restoration of the watercraft, as specified in paragraph A.

**Sec. 2. Effective date.** This Act takes effect August 1, 2010.

**SUMMARY**

This amendment replaces changes made in the committee amendment to the sales tax exemption for certain watercraft purchased by nonresidents and provides a 60% reduction in the sales and use tax rate for nonresidents who keep their watercraft in the State beyond the time period specified in the Maine Revised Statutes, Title 36, section 1760, subsection 25 and subsection 45, paragraph A-1.

**FISCAL NOTE REQUIRED**

(See attached)

SPONSORED BY: 

(Senator DIAMOND)

COUNTY: Cumberland



# 124th MAINE LEGISLATURE

LD 659

LR 392(09)

## An Act To Remove the Sales Tax on Watercraft

Fiscal Note for Senate Amendment "A" to Committee Amendment "B"

Sponsor: Sen. Diamond of Cumberland

Fiscal Note Required: Yes

### Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$502,068)	(\$549,632)	(\$571,618)
<b>Revenue</b>				
General Fund	\$0	\$502,068	\$549,632	\$571,618
Other Special Revenue Funds	\$0	\$26,425	\$28,928	\$30,085

#### Fiscal Detail and Notes

This amendment eliminates the impact of the committee amendment and institutes an exemption on sales and use tax for nonresident purchases of watercraft and watercraft materials, as well as a 60% sales and use tax exemption in particular circumstances. These exemptions are anticipated by the Bureau of Revenue Services to result in a net minor revenue increase owing to additional watercraft and watercraft materials sales.