

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 659

H.P. 473

House of Representatives, February 19, 2009

An Act To Remove the Sales Tax on Watercraft

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PILON of Saco.
Cosponsored by Senator PERRY of Penobscot and
Representatives: CONNOR of Kennebunk, FLEMINGS of Bar Harbor, LANGLEY of
Ellsworth, Speaker PINGREE of North Haven, PIOTTI of Unity, SCHATZ of Blue Hill,
WATSON of Bath, Senator: DAMON of Hancock.

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 2007, c. 438, §39, is
3 further amended to read:

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

17 **SUMMARY**

18 Current law exempts from tax the sale of watercraft, the sale of materials for
19 watercraft construction and the sale of materials for watercraft repair, alteration, refitting,
20 reconstruction, overhaul and restoration only if the sale is made to a nonresident and the
21 watercraft is intended to be transported outside the State. This bill amends the law to
22 extend the sales tax exemption to all persons and without regard to whether the watercraft
23 will remain in the State.