

MAINE STATE LEGISLATURE

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TAXATION

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 290, L.D. 743, Bill, "An Act To Exempt Fuel Used by Commercial Fishing Vessels from the Sales Tax"

Amend the bill in the emergency preamble in the 2nd paragraph in the first line (page 1, line 3 in L.D.) by striking out the following: "groundfishing and lobstering industries in Maine are" and inserting the following: 'fishing industry in Maine is'

Amend the bill in the emergency preamble in the 3rd paragraph in the 2nd line (page 1, line 6 in L.D.) by striking out the following: "groundfishing or lobstering" and inserting the following: 'fishing'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §2013, sub-§2-A is enacted to read:

2-A. Internal combustion fuel for commercial fishing. Any person that purchases internal combustion fuel for the purpose of operating or propelling a commercial fishing boat must be refunded a portion of sales tax paid upon presenting to the State Tax Assessor evidence that the purchase is eligible for refund under this section. The amount of the refund is equal to the portion of the sales tax attributable to the sales price of internal combustion fuel that exceeds \$3 for sales from July 1, 2009 to June 30, 2010 and \$3.50 for sales after June 30, 2010. Applications for refund must be filed with the assessor within 36 months of the date of purchase. By January 15th annually the assessor shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the number of persons granted refunds under this subsection and the amount of refunds paid during the previous calendar year.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect July 1, 2009.'

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SUMMARY

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This amendment expands the application of the sales tax refund for depreciable machinery and equipment purchases to include fuel used in all commercial fishing vessels and provides that the refund applies only to the sales tax on the portion of the sales price that exceeds \$3 from July 1, 2009 to June 30, 2010 and \$3.50 thereafter. The amendment also requires the State Tax Assessor to report on the number of persons granted refunds and the amount paid and changes the effective date of the legislation to July 1, 2009.

FISCAL NOTE REQUIRED

(See attached)

**124th MAINE LEGISLATURE****LD 743****LR 634(02)****An Act To Exempt Fuel Used by Commercial Fishing Vessels from the Sales Tax****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 |
|-----------------------------|---------|---------|------------------------|------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$0 | \$0 | \$26,494 | \$56,422 |
| Revenue | | | | |
| General Fund | \$0 | \$0 | (\$26,494) | (\$56,422) |
| Other Special Revenue Funds | \$0 | \$0 | (\$1,453) | (\$3,095) |

Fiscal Detail and Notes

This bill provides a refund for a portion of the sales tax paid on the purchase of fuel used in all commercial fishing vessels. It applies only to the sales tax paid on the portion of the sales price that exceeds \$3.00 per gallon from July 1, 2009 to June 30, 2010 and \$3.50 per gallon for sales after June 30, 2010. The reduction in sales tax will reduce General Fund revenue by \$26,494 in FY 2011-12 and \$56,422 in FY 2012-13 and thereafter. The Local Government Fund revenue will decrease by \$1,453 in FY 2011-12 and \$3,095 in FY 2012-13 and thereafter. Additional costs to Maine Revenue Services associated with issuing the refunds and other duties can be absorbed within existing budgeted resources.