

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

SECOND REGULAR SESSION-2010

Legislative Document

No. 1821

H.P. 1304

House of Representatives, March 22, 2010

An Act Pertaining to Sales Tax Exemptions for Products Purchased for Agricultural Use

Reported by Representative PIEH of Bremen for the Joint Standing Committee on
Agriculture, Conservation and Forestry pursuant to Resolve 2009, chapter 25, section 3.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §1760, sub-§7-C,** as enacted by PL 2005, c. 12, Pt. GGG, §2,
3 is amended to read:

4 **7-C. Products used in animal agriculture.** Sales of breeding stock, semen,
5 embryos, feed, hormones, antibiotics, medicine, pesticides and litter for use in animal
6 agricultural production and sales of antiseptics and cleaning agents used in commercial
7 animal agricultural production. Animal agricultural production includes the raising and
8 keeping of equines.

9 **Sec. 2. 36 MRSA §1760-D** is enacted to read:

10 **§1760-D. Determination of exemptions for products used in commercial**
11 **agricultural or silvicultural production or animal agriculture; information**
12 **posted on publicly accessible website**

13 **1. List of products.** The assessor shall post a list of products used in commercial
14 agricultural or silvicultural production or in animal agriculture for which a written
15 definitive determination on the applicability of a sales tax exemption under section 1760,
16 subsection 7-B or 7-C has been made on the bureau's publicly accessible website. The
17 list must include the name of the product, other information necessary to identify the
18 product at the point of sale and the determination of whether or not that product is exempt
19 from sales tax under section 1760, subsection 7-B or 7-C.

20 When the assessor receives a request in writing for an interpretation on whether or not a
21 product used in commercial agricultural or silvicultural production or in animal
22 agriculture is exempt from sales tax under section 1760, subsection 7-B or 7-C, the
23 assessor shall respond in writing. When the information in the request is sufficient to
24 make a definitive determination on the applicability of the sales tax exemption, the
25 assessor shall within 3 weeks of making the determination add the appropriate
26 information to the list maintained under this section.

27 **2. Information on processes for appeals and refunds.** The assessor shall provide
28 information on the bureau's publicly accessible website on the process to appeal a
29 determination on the applicability of an exemption to a product under section 1760,
30 subsection 7-B or 7-C and to request a refund for sales tax paid on an exempt product.

31 **Sec. 3. 36 MRSA §2013, sub-§4** is enacted to read:

32 **4. Information on processes for refunds and appeals.** The assessor shall post
33 information describing the process for requesting a refund under this section on the
34 bureau's publicly accessible website along with a description of the process to appeal a
35 decision by the assessor under section 2011.

36 **SUMMARY**

37 This bill is the report of the Joint Standing Committee on Agriculture, Conservation
38 and Forestry submitted pursuant to Resolve 2009, chapter 25, section 3. It amends

1 provisions for exempting products used in animal agriculture to clarify that antiseptics
2 and cleaning agents used in commercial animal agricultural production are exempt from
3 sales tax. It requires the State Tax Assessor to post on the Bureau of Revenue Services'
4 publicly accessible website a list of products for which a determination on tax exempt
5 status under the exemption for products used in commercial agricultural or silvicultural
6 production or animal agriculture has been made. It also requires the State Tax Assessor
7 to post information regarding the process by which a person can request a refund for or
8 appeal a decision by the assessor regarding sales tax paid on products used in commercial
9 agricultural and silvicultural production or in animal agriculture and refunds of sales
10 taxes paid on depreciable machinery and equipment or electricity for use in commercial
11 agricultural production, commercial fishing or commercial aquacultural production.

12

FISCAL NOTE REQUIRED

(See attached)



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LD 1821

LR 2640(01)

An Act Pertaining to Sales Tax Exemptions for Products Purchased for Agricultural Use

Fiscal Note for Original Bill

Committee: Agriculture, Conservation and Forestry

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$0	\$1,710	\$1,919	\$1,938
Revenue				
General Fund	\$0	(\$1,710)	(\$1,919)	(\$1,938)
Other Special Revenue Funds	\$0	(\$90)	(\$101)	(\$102)

Fiscal Detail and Notes

Expanding the range of available sales and use tax exemptions for certain antiseptics and cleaning agents purchased for agricultural use will result in reduced revenue to the General Fund of \$1,710 in fiscal year 2010-11.