

MAINE STATE LEGISLATURE

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DMY
ROPS

Major

L.D. 1610

Date: 2/27/12

Majority
TAXATION

(Filing No. H-727)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1219, L.D. 1610, Bill, "An Act To Amend the Law Regarding the Sale of Wood Pellets"

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

'An Act To Amend the Law Regarding the Sale of Wood Pellets and Wood'

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

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation increases the amount of wood pellets presumed to meet the requirement of residential use and thus to qualify for a sales tax exemption; and

Whereas, this legislation clarifies the amount of wood presumed to meet the requirement of residential use and thus to qualify for a sales tax exemption; and

Whereas, this legislation needs to be in effect for this winter season to allow citizens of the State to benefit from the exemptions; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §1760, sub-§9, as amended by PL 2009, c. 625, §7, is further amended to read:

9. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and electricity, when bought for cooking and heating in buildings designed and used for both human habitation and sleeping. Kerosene or home heating oil that is prepackaged or dispensed from a tank for retail sale in containers with a capacity of 5 gallons or less is

COMMITTEE AMENDMENT

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presumed to meet the requirements of this subsection. A purchase of ~~200~~ 1,000 pounds or less of wood pellets or of any 100% compressed wood product intended for use in a wood stove or fireplace is presumed to meet the requirements of this subsection. A purchase of less than one cord of wood is presumed to meet the requirements of this subsection. For purposes of this subsection, "cord" has the same meaning as in Title 10, section 2302, subsection 1.

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Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.'

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SUMMARY

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This amendment is the majority report of the committee and replaces the bill. This amendment changes the amount of wood pellets presumed to meet the requirement of residential use, and thus to qualify for the sales tax exemption, to 1,000 pounds rather than 2,000 pounds as proposed in the bill. It also provides a presumption of residential use for the purchase of wood. Currently, wood purchased for residential use when bought for cooking and heating is exempt from sales tax. Under this amendment it is presumed that a person who purchases a cord of wood or less is purchasing the wood for residential use for cooking or heating.

**FISCAL NOTE REQUIRED
(See attached)**

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Approved: 02/23/12 *MAC*

125th MAINE LEGISLATURE

LD 1610

LR 2305(02)

An Act To Amend the Law Regarding the Sale of Wood Pellets

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-727)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$4,750	\$19,760	\$20,550	\$21,372
Revenue				
General Fund	(\$4,750)	(\$19,760)	(\$20,550)	(\$21,372)
Other Special Revenue Funds	(\$250)	(\$1,040)	(\$1,082)	(\$1,125)

Fiscal Detail and Notes

The bill expands the sales tax exemption provided to certain purchases of fuel for residential use by raising the amount of wood pellet purchases presumed to be for residential use from 200 pounds to 1,000 pounds. In addition, purchases of up to one cord of firewood (including bundled campfire wood) are also assumed to be for residential use.