

# MAINE STATE LEGISLATURE

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3                                   **AGRICULTURE, CONSERVATION AND FORESTRY**

4                   Reproduced and distributed under the direction of the Secretary of the Senate.

5                                   **STATE OF MAINE**

6                                   **SENATE**

7                                   **126TH LEGISLATURE**

8                                   **FIRST REGULAR SESSION**

9                   COMMITTEE AMENDMENT “**A**” to S.P. 256, L.D. 707, Bill, “An Act To  
10 Provide Assistance to Maine's Dairy Farms”

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

12                   **'An Act To Refund the Sales Tax Paid on Fuel Used in Commercial Agricultural**  
13                   **Production'**

14                   Amend the bill by striking out everything after the enacting clause and inserting the  
15 following:

16                   **'Sec. 1. 36 MRSA §2013, sub-§§2 and 3**, as amended by PL 2011, c. 657, Pt. N,  
17 §2 and affected by §3, are further amended to read:

18                   **2. Refund authorized.** Any person, association of persons, firm or corporation that  
19 purchases electricity, or that purchases or leases depreciable machinery or equipment, for  
20 use in commercial agricultural production, commercial fishing, commercial aquacultural  
21 production or commercial wood harvesting or that purchases fuel for use in a commercial  
22 fishing vessel or for use in commercial agricultural production must be refunded the  
23 amount of sales tax paid upon presenting to the State Tax Assessor evidence that the  
24 purchase is eligible for refund under this section.

25 Evidence required by the assessor may include a copy or copies of that portion of the  
26 purchaser's or lessee's most recent filing under the United States Internal Revenue Code  
27 that indicates that the purchaser or lessee is engaged in commercial agricultural  
28 production, commercial fishing, commercial aquacultural production or commercial  
29 wood harvesting and that the purchased machinery or equipment is depreciable for those  
30 purposes or would be depreciable for those purposes if owned by the lessee.

31 In the event that any piece of machinery or equipment is only partially depreciable under  
32 the United States Internal Revenue Code, any reimbursement of the sales tax must be  
33 prorated accordingly. In the event that electricity or fuel for a commercial fishing vessel  
34 or for commercial agricultural production is used in qualifying and nonqualifying  
35 activities, any reimbursement of the sales tax must be prorated accordingly.

**COMMITTEE AMENDMENT**

1 Application for refunds must be filed with the assessor within 36 months of the date of  
2 purchase or execution of the lease.

3 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the  
4 purchase of electricity, fuel for a commercial fishing vessel or for commercial  
5 agricultural production or a single item of machinery or equipment if the purchaser has  
6 obtained a certificate from the assessor stating that the purchaser is engaged in  
7 commercial agricultural production, commercial fishing, commercial aquacultural  
8 production or commercial wood harvesting and authorizing the purchaser to purchase  
9 electricity, fuel for a commercial fishing vessel or for commercial agricultural production  
10 or depreciable machinery and equipment without paying Maine sales tax. The seller is  
11 required to obtain a copy of the certificate together with an affidavit as prescribed by the  
12 assessor, to be maintained in the seller's records, attesting to the qualification of the  
13 purchase for exemption pursuant to this section. In order to qualify for this exemption,  
14 the electricity, fuel for a commercial fishing vessel or for commercial agricultural  
15 production or depreciable machinery or equipment must be used directly in commercial  
16 agricultural production, commercial fishing, commercial aquacultural production or  
17 commercial wood harvesting. In order to qualify for this exemption, the electricity or  
18 fuel for a commercial fishing vessel or for commercial agricultural production must be  
19 used in qualifying activities, including support operations.

20 **Sec. 2. Application.** This Act applies to purchases of fuel for use in commercial  
21 agricultural production on or after October 1, 2013.'

## 22 SUMMARY

23 This amendment requires the refund of sales tax on purchases of fuel for use in  
24 commercial agricultural production and permits the issuance of a certificate permitting  
25 the purchases of such fuel without paying sales tax if the purchaser obtains a certificate  
26 verifying eligibility from the State Tax Assessor. The amendment provides an  
27 application date of October 1, 2013.

FISCAL NOTE REQUIRED  
(See attached)



# 126th MAINE LEGISLATURE

LD 707

LR 1598(02)

## An Act To Provide Assistance to Maine's Dairy Farms

Fiscal Note for Bill as Amended by Committee Amendment "A" (5-108)  
 Committee: Agriculture, Conservation and Forestry  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
<b>Net Cost (Savings)</b>				
General Fund	\$250,800	\$315,067	\$316,643	\$318,226
<b>Revenue</b>				
General Fund	(\$250,800)	(\$315,067)	(\$316,643)	(\$318,226)
Other Special Revenue Funds	(\$13,200)	(\$16,583)	(\$16,665)	(\$16,749)

#### Fiscal Detail and Notes

This bill reduces General Fund revenue by \$250,800 in FY 2013-14 and by \$315,067 in FY 2014-15 and reduces Municipal Revenue Sharing revenue by \$13,200 in FY 2013-14 and by \$16,583 in FY 2014-15 due to refunding the sales tax paid on purchases of fuel for use in commercial agricultural production and permitting a sales tax exemption on this fuel if the purchaser receives an eligibility certificate from Maine Revenue Services.