

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 741

S.P. 279

In Senate, February 28, 2013

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**An Act To Promote Fairness in the Sales Tax Exemption for  
Vehicles Used in Interstate Commerce**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator THOMAS of Somerset.  
Cosponsored by Representative GIFFORD of Lincoln and  
Senators: COLLINS of York, SHERMAN of Aroostook, WHITTEMORE of Somerset,  
Representatives: BROOKS of Winterport, DAVIS of Sangerville, FREDETTE of Newport,  
HARVELL of Farmington, TIMBERLAKE of Turner.

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

2 **Sec. 1. 36 MRSA §1760, sub-§41**, as amended by PL 2011, c. 501, §1, is further  
3 amended to read:

4 **41. Certain instrumentalities of interstate or foreign commerce.** The sale of a  
5 vehicle, railroad rolling stock, aircraft or watercraft that is placed in use by the purchaser  
6 as an instrumentality of interstate or foreign commerce within 30 days after that sale and  
7 that is used by the purchaser not less than 80% of the time for the next 2 years as an  
8 instrumentality of interstate or foreign commerce. The State Tax Assessor may for good  
9 cause extend for not more than 60 days the time for placing the instrumentality in use in  
10 interstate or foreign commerce. For purposes of this subsection, property is "placed in  
11 use as an instrumentality of interstate or foreign commerce" by its carrying of, or  
12 providing the motive power for the carrying of, a bona fide payload in interstate or  
13 foreign commerce, or by being dispatched to a specific location at which it will be loaded  
14 upon arrival with, or will be used as motive power for the carrying of, a payload in  
15 interstate or foreign commerce. For purposes of this subsection, property "placed in use  
16 as an instrumentality of interstate or foreign commerce" includes property without  
17 operating authority under 49 Code of Federal Regulations, Section 392.9a. For purposes  
18 of this subsection, "bona fide payload" means a cargo of persons or property transported  
19 by a contract or common carrier for compensation that exceeds the direct cost of carrying  
20 that cargo or pursuant to a legal obligation to provide service as a public utility or a cargo  
21 of property transported in the reasonable conduct of the purchaser's own  
22 nontransportation business in interstate commerce.

23 B. For purposes of this subsection, personal property is not in use as an  
24 instrumentality of interstate or foreign commerce when carrying a bona fide payload  
25 that both originates and terminates within the State, unless the personal property is a  
26 bus with a capacity of at least 47 passengers that is engaged in transporting within the  
27 State a bona fide payload of travelers on an interstate or foreign cruise that originates  
28 outside the State and terminates outside the State and the transportation is provided  
29 pursuant to a contract between the interstate or foreign cruise provider and the person  
30 providing the transportation.

31 C. The exemption provided by this subsection is not limited to instrumentalities  
32 otherwise required to be exempt under the United States Constitution.

33 **SUMMARY**

34 This bill provides a sales tax exemption for vehicles used in interstate or foreign  
35 commerce, including those without operating authority under 49 Code of Federal  
36 Regulations, Section 392.9a.