

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

---

Legislative Document

No. 432

S.P. 161

In Senate, February 24, 2015

**An Act To Exempt Fuel Purchased for Off-road Use in Commercial Construction and Wood Harvesting Equipment from Sales and Use Tax**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator BURNS of Washington.  
Cosponsored by Representative CAMPBELL of Orrington and  
Senators: DAVIS of Piscataquis, ROSEN of Hancock, WHITTEMORE of Somerset,  
Representatives: GUERIN of Glenburn, MAKER of Calais, MOONEN of Portland, SHORT of  
Pittsfield, TUELL of East Machias.

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

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

4 **2. Refund authorized.** Any person, association of persons, firm or corporation that  
5 purchases electricity, or that purchases or leases depreciable machinery or equipment, for  
6 use in commercial agricultural production, commercial fishing, commercial aquacultural  
7 production or commercial wood harvesting or that purchases fuel for use in a commercial  
8 fishing vessel or fuel for off-road use in commercial wood harvesting or commercial  
9 construction equipment must be refunded the amount of sales tax paid upon presenting to  
10 the State Tax Assessor evidence that the purchase is eligible for refund under this section.

11 Evidence required by the assessor may include a copy or copies of that portion of the  
12 purchaser's or lessee's most recent filing under the United States Internal Revenue Code  
13 that indicates that the purchaser or lessee is engaged in commercial agricultural  
14 production, commercial fishing, commercial aquacultural production, commercial  
15 construction or commercial wood harvesting and that the purchased machinery or  
16 equipment is depreciable for those purposes or would be depreciable for those purposes if  
17 owned by the lessee.

18 In the event that any piece of machinery or equipment is only partially depreciable under  
19 the United States Internal Revenue Code, any reimbursement of the sales tax must be  
20 prorated accordingly. In the event that electricity or fuel for a commercial fishing vessel  
21 or for commercial wood harvesting or commercial construction equipment is used in  
22 qualifying and nonqualifying activities, any reimbursement of the sales tax must be  
23 prorated accordingly.

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

26 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the  
27 purchase of electricity, fuel for a commercial fishing vessel or for off-road use in  
28 commercial wood harvesting or commercial construction equipment or a single item of  
29 machinery or equipment if the purchaser has obtained a certificate from the assessor  
30 stating that the purchaser is engaged in commercial agricultural production, commercial  
31 fishing, commercial aquacultural production, commercial construction or commercial  
32 wood harvesting and authorizing the purchaser to purchase electricity, fuel for a  
33 commercial fishing vessel or for off-road use in commercial wood harvesting or  
34 commercial construction equipment or depreciable machinery and equipment without  
35 paying Maine sales tax. The seller is required to obtain a copy of the certificate together  
36 with an affidavit as prescribed by the assessor, to be maintained in the seller's records,  
37 attesting to the qualification of the purchase for exemption pursuant to this section. In  
38 order to qualify for this exemption, the electricity, fuel for a commercial fishing vessel or  
39 for off-road use in commercial wood harvesting or commercial construction equipment or  
40 depreciable machinery or equipment must be used directly in commercial agricultural  
41 production, commercial fishing, commercial aquacultural production, commercial  
42 construction or commercial wood harvesting. In order to qualify for this exemption, the  
43 electricity or fuel for a commercial fishing vessel or for off-road use in commercial wood

1 harvesting or commercial construction equipment must be used in qualifying activities,  
2 including support operations.

3

### **SUMMARY**

4 This bill provides a sales and use tax refund or exemption for fuel purchased for off-  
5 road use in commercial wood harvesting or commercial construction equipment.