

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

SECOND REGULAR SESSION-2024

Legislative Document

No. 2279

S.P. 994

In Senate, March 25, 2024

**An Act to Promote Equity in the Forest Products Industry by
Allowing Commercial Wood Haulers to Be Eligible for Certain Sales
Tax Exemptions and Refunds**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Agriculture, Conservation and Forestry 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 President JACKSON of Aroostook.

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

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

4 B-1. "Commercial wood harvesting" means the commercial severance and yarding of
5 trees for sale or for processing into logs, pulpwood, bolt wood, wood chips, stud wood,
6 poles, pilings, biomass or fuel wood or other products commonly known as forest
7 products. "Commercial wood harvesting" includes the commercial hauling of trees,
8 logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings, biomass or fuel
9 wood or other products commonly known as forest products to a facility that processes
10 or uses trees, logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings,
11 biomass or fuel wood or other products commonly known as forest products.

12 **Sec. 2. 36 MRSA §2013, sub-§1, ¶C**, as amended by PL 2019, c. 7, §2, is further
13 amended by amending subparagraph (4) to read:

14 (4) New or used machinery and equipment for use directly and primarily in
15 commercial wood harvesting, including, but not limited to, chain saws, skidders,
16 delimiters, forwarders, slashers, feller bunchers ~~and~~ wood chippers, trucks as
17 defined in Title 29-A, section 101, subsection 88, truck tractors as defined in Title
18 29-A, section 101, subsection 90 and trailers.

19 **Sec. 3. 36 MRSA §2013, sub-§1, ¶C**, as amended by PL 2019, c. 7, §2, is further
20 amended by amending the first blocked paragraph to read:

21 ~~"Depreciable~~ Except as provided in subparagraph (4), "depreciable machinery and
22 equipment" does not include a motor vehicle as defined in section 1752, subsection 7
23 or a trailer as defined in section 1752, subsection 19-A.

24 **Sec. 4. 36 MRSA §2013, sub-§2**, as amended by PL 2015, c. 481, Pt. B, §1 and
25 affected by §2, is further amended to read:

26 **2. Refund authorized.** Any person, association of persons, firm or corporation that
27 purchases electricity or fuel, or that purchases or leases depreciable machinery or
28 equipment, for use in commercial agricultural production, commercial fishing, or
29 commercial aquacultural production ~~or commercial wood harvesting~~ must be refunded the
30 amount of sales tax paid upon presenting to the State Tax Assessor evidence that the
31 purchase is eligible for refund under this section.

32 Any person, employer or employing unit as defined in Title 26, section 1043, subsection
33 10 that makes contributions or is eligible to receive benefits under Title 26, chapter 13,
34 subchapter 7 or 6, respectively, and that purchases electricity or fuel, or that purchases or
35 leases depreciable machinery or equipment, for use in commercial wood harvesting must
36 be refunded the amount of sales tax paid upon presenting to the State Tax Assessor
37 evidence that the purchase is eligible for refund under this section.

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

1 In the event that any piece of machinery or equipment is only partially depreciable under
2 the United States Internal Revenue Code, any reimbursement of the sales tax must be
3 prorated accordingly. In the event that electricity or fuel is used in qualifying and
4 nonqualifying activities, any reimbursement of the sales tax must be prorated accordingly.

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

7 **Sec. 5. 36 MRSA §2013, sub-§3**, as amended by PL 2015, c. 481, Pt. B, §1 and
8 affected by §2, is further amended to read:

9 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the
10 purchase of electricity, fuel or a single item of machinery or equipment if the purchaser has
11 obtained a certificate from the assessor stating that the purchaser is engaged in commercial
12 agricultural production, commercial fishing, commercial aquacultural production or
13 commercial wood harvesting and authorizing the purchaser to purchase electricity, fuel or
14 depreciable machinery and equipment without paying Maine sales tax. The seller is
15 required to obtain a copy of the certificate together with an affidavit as prescribed by the
16 assessor, to be maintained in the seller's records, attesting to the qualification of the
17 purchase for exemption pursuant to this section. In order to qualify for this exemption, the
18 electricity, fuel or depreciable machinery or equipment must be used directly in commercial
19 agricultural production, commercial fishing, commercial aquacultural production or
20 commercial wood harvesting. In order to qualify for this exemption, the electricity or fuel
21 must be used in qualifying activities, including support operations. In order to qualify for
22 this exemption for a purchaser engaged in commercial wood harvesting, the purchaser must
23 be a person, employer or employing unit as defined in Title 26, section 1043, subsection
24 10 that makes contributions or is eligible to receive benefits under Title 26, chapter 13,
25 subchapter 7 or 6, respectively.

26 SUMMARY

27 This bill provides that commercial haulers of forest products are eligible for the sales
28 tax exemption for purchases of electricity, fuel and depreciable machinery and equipment,
29 including trucks, truck tractors and trailers. It also provides that to be eligible for the sales
30 tax exemption for purchases of electricity, fuel and depreciable machinery and equipment
31 for use in commercial wood harvesting, a person, employer or employing unit must make
32 contributions or be eligible to receive benefits under the laws governing unemployment
33 compensation.