

MAINE STATE LEGISLATURE

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ACTS, RESOLVES AND CONSTITUTIONAL RESOLUTIONS

AS PASSED BY THE

One Hundred and Sixth Legislature

OF THE

STATE OF MAINE

Published by the Director of Legislative Research in accordance with the Revised Statutes of 1964, Title 3, Section 164, Subsection 6.

THE KNOWLTON AND McLEARY COMPANY
FARMINGTON, MAINE
1973

PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
One Hundred and Sixth Legislature

1973

CHAPTER 580

AN ACT Exempting New Machinery and Equipment used for Manufacturing and Research from Sales and Use Tax and Increasing the Corporate Income Tax Rate.

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

Sec. 1. R. S., T. 36, § 1760, sub-§§ 31 and 32, additional. Section 1760 of Title 36 of the Revised Statutes, as amended, is further amended by adding 2 new subsections, 31 and 32, to read as follows:

31. New machinery and equipment. Sales of new machinery and equipment for use by the purchaser directly and primarily in the production of tangible personal property, which property is intended to be sold ultimately for final use or consumption, by manufacturing, processing, assembling or fabricating.

32. New machinery and equipment for research. Sales of new machinery and equipment for use by the purchaser directly and exclusively in research and development in the experimental and laboratory sense. Such research and development shall not be deemed to include the ordinary testing or inspecting of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions or research in connection with literary, historical or similar projects.

Sec. 2. R. S., T. 36, § 5200, amended. Section 5200 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

§ 5200. Imposition and rate of tax

A tax is hereby imposed upon ~~the entire taxable income of~~ every "Taxable Corporation" as follows:

4% of the Maine net income ~~of the corporation~~ not over \$25,000, or \$1,000 plus 6% of the Maine net income over \$25,000.

Sec. 3. R. S., T. 36, § 5205, amended. The last sentence of section 5205 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

The tax is 4% of the taxable income not over \$25,000, or \$1,000 plus 6% of the taxable income over \$25,000, of the corporation or association for that taxable year under the laws of the United States, reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.

Sec. 4. Effective date. Section 1 of this Act shall be effective as to sales and purchases made after October 31, 1973, including sales and purchases made pursuant to contracts entered into prior thereto. Sections 2 and 3 of this Act shall be effective as to Maine net income attributable on or after July 1, 1973.