

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
ONE HUNDRED AND TWELFTH LEGISLATURE

**SECOND REGULAR SESSION**  
January 8, 1986 to April 16, 1986

**SECOND SPECIAL SESSION**  
May 28, 1986 to May 30, 1986

AND AT THE

**THIRD SPECIAL SESSION**  
October 17, 1986

PUBLISHED BY THE DIRECTOR OF REVISOR OF STATUTES IN  
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 163-A, SUBSECTION 4.

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J.S. McCarthy Co., Inc.  
Augusta, Maine

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND REGULAR SESSION  
of the  
ONE HUNDRED AND TWELFTH LEGISLATURE  
1985

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Sec. 3. Allocation. The following funds are allocated from the Local Government Fund to carry out the purposes of this Act.

1986-87

TREASURER OF STATE, OFFICE OF

State-municipal Revenue Sharing	
All Other	\$(3,767)

Sec. 4. Application. This Act shall apply to tax years beginning on or after January 1, 1986.

Effective July 16, 1986.

**CHAPTER 767**

H.P. 1555 - L.D. 2193

**AN ACT to Phase Out the Sales and Use Tax on Energy Used in Manufacturing.**

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

Sec. 1. 36 MRSA §1752, sub-§6-A is enacted to read:

6-A. Manufacturing facility. "Manufacturing facility" means a site at which is located machinery and equipment used directly and primarily in the production of tangible personal property intended to be sold or leased ultimately for final use or consumption. It includes the machinery and equipment and all machinery, equipment, structures and facilities located at the site and used in support of production or associated with the production.

Sec. 2. 36 MRSA §1752, sub-§11, as amended by PL 1985, c. 276, §2, is further amended to read:

11. Retail sale or sale at retail. "Retail sale" or "sale at retail" means any sale of tangible personal property, in the ordinary course of business, for consumption or use, or for any purpose other than for resale, except resale as a casual sale, in the form of tangible personal property, any rental of living quarters in any hotel, rooming house, tourist or trailer camp, any rental of automobiles on a

short-term basis, other than rental to a person engaged in the business of renting automobiles, the sale of telephone or telegraph service and the sale of extended cable television service. The term "retail sale" or "sale at retail" includes conditional sales, installment lease sales, and any other transfer of tangible personal property when the title is retained as security for the payment of the purchase price and is intended to be transferred later. The term "retail sale" or "sale at retail" also means sale of products for internal human consumption to a person for resale through coin-operated vending machines when sold to a retailer whose gross receipts from the retail sale of tangible personal property derived through sales from vending machines are more than 50% of his gross receipts, which tax shall be paid by the retailer to the State. The term "retail sale" or "sale at retail" does not include any sale by an executor or administrator in the settlement of an estate, unless such sale is made through a retailer, or unless such sale is made in the continuation or operation of a business; nor does the term include any other isolated transaction in which any tangible personal property is sold, transferred, offered for sale or delivered by the owner of the property, such sale, transfer, offer for sale, or delivery not being made in the ordinary course of repeated and successive transactions of a like character by such owner, such transactions being elsewhere sometimes referred to as "casual sales." "Casual sales" includes transactions by a civic, religious or fraternal organization, which is not a registered retailer, at bazaars, fairs, rummage sales, picnics or similar events but not exceeding 8 days in a calendar year. The sale by a registered retailer of tangible personal property, which that retailer has used in the course of his or its business, is not a casual sale and is a retail sale subject to taxation under this Part, if that property is of a like character to that sold in the ordinary course of repeated and successive transactions. "Casual sale" shall not include any transaction in which tangible personal property is sold, transferred or offered for sale by a representative for the owner's account when such representative is a registered retailer, in which event such registered retailer shall have the same duties respecting such sale as if he had sold on his own account. "Retail sale" and "sale at retail" do not include the sale of tangible personal property which becomes an ingredient or component part of, or which is consumed or destroyed or loses its identity directly and primarily in the production of, tangible personal property for later sale or lease, other than lease for use in this

State, but shall include fuel and electricity but shall not include electricity separately metered and consumed in any electrolytic process for the manufacture of tangible personal property for later sale, nor any fuel oil or coal, the by-products from the burning of which become an ingredient or component part of tangible personal property for later sale. "Retail sale" and "sale at retail" do not include the sale, to a person engaged in the business of renting automobiles, of automobiles, or integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented, on a short-term basis. It shall be considered that tangible personal property is "consumed or destroyed" or "loses its identity" in such manufacture, if it has a normal physical life expectancy of less than one year as a usable item in the use to which it is applied. "Retail sale" or "sale at retail" do not include the sale of containers, boxes, crates, bags, cores, twines, tapes, bindings, wrappings, labels and other packing, packaging and shipping materials when sold to persons for use in packing, packaging or shipping tangible personal property sold by them or upon which they have performed the service of cleaning, pressing, dyeing, washing, repairing or reconditioning in their regular course of business and which are transferred to the possession of the purchaser of such tangible personal property.

Sec. 3. 36 MRSA §1760, sub-§9-D is enacted to read:

9-D. Fuel and electricity used at a manufacturing facility. Ninety-five percent of the sale price of all fuel and electricity purchased for use at a manufacturing facility. The sales or use tax rate applicable to 95% of the sale price of such fuel and electricity shall be progressively reduced to 0 according to the following schedule:

<u>Date of purchase</u>	<u>Sales or use tax rate</u>
<u>July 1, 1987, to June 30, 1988</u>	<u>4%</u>
<u>July 1, 1988, to June 30, 1989</u>	<u>3%</u>
<u>July 1, 1989, to June 30, 1990</u>	<u>2%</u>
<u>July 1, 1990, to June 30, 1991</u>	<u>1%</u>
<u>July 1, 1991, and thereafter</u>	<u>0%</u>

Each year prior to the effective date of the next reduction, after the reduction beginning July 1, 1987, the joint standing committee of the Legislature having jurisdiction over taxation shall review the effect of this subsection and report to the Legislature.

Sec. 4. Effective date. Section 2 of this Act shall take effect July 1, 1991.

Effective July 16, 1986 unless otherwise indicated.

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## CHAPTER 768

H.P. 1592 - L.D. 2245

### AN ACT Concerning Transitional Services for Handicapped Persons Beyond School Age.

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

Sec. 1. 20-A MRSA c. 308 is enacted to read:

#### CHAPTER 308

#### TRANSITIONAL SERVICES COORDINATION PROJECTS FOR HANDICAPPED PERSONS

##### §7801. Purpose

It is the purpose of this chapter to stimulate through the activities of pilot projects a more effective and efficient delivery of services to handicapped youths in transition from school to the community by:

1. Coordination. Coordinating existing programs presently provided for these youths by the Department of Human Services, the Department of Mental Health and Mental Retardation, the Department of Educational and Cultural Services and other public and private agencies;

2. Delivery. Delivering services only to meet identified unmet needs; and

3. Future recommendations. Using results of these pilot projects to determine the best direction for future recommendations to serve this population.

##### §7802. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.