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An Act To Clarify the Tax-exempt Status of Ornamental Horticulture

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

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

1-H. Commercial agricultural production. "Commercial agricultural production" means the commercial production of crops for human or animal consumption, including the commercial production of sod, the commercial production of greenhouse or nursery products, the commercial production of seed to be used primarily to raise crops for nourishment of humans and animals and the commercial production of livestock.

Sec. 2. 36 MRSA §1760, sub-§7-B, as enacted by PL 2005, c. 12, Pt. GGG, §2, is amended to read:

7-B. Products used in commercial agricultural production. Sales of seed, fertilizers, defoliants and pesticides, including, but not limited to, rodenticides, insecticides, fungicides and weed killers, for use in the commercial agricultural production ~~of an agricultural crop~~.

SUMMARY

This bill makes the following changes to the sales and use tax law with respect to commercial agriculture:

1. It enacts a definition of "commercial agricultural production" for purposes of the laws governing sales tax; and
2. It specifies that the sales tax exemption contained in the Maine Revised Statutes, Title 36, section 1760, subsection 7-B applies to products used in commercial agricultural production.