



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 30

H.P. 29

House of Representatives, January 13, 2015

An Act To Exempt Fuel Used by Commercial Farmers from Sales Tax

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative PIERCE of Dresden.
Cosponsored by Senator CYRWAY of Kennebec and
Representatives: BATTLE of South Portland, DOORE of Augusta, HICKMAN of Winthrop,
McCABE of Skowhegan, WOOD of Sabattus, Senators: BAKER of Sagadahoc, KATZ of
Kennebec, MIRAMANT of Knox.

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 commercial
8 agricultural production or in a commercial fishing vessel must be refunded the amount of
9 sales tax paid upon presenting to the State Tax Assessor evidence that the purchase is
10 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 or commercial
15 wood harvesting and that the purchased machinery or equipment is depreciable for those
16 purposes or would be depreciable for those purposes if owned by the lessee.

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

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

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

41 **Sec. 2. Effective date.** This Act takes effect October 1, 2015.

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SUMMARY

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This bill provides a sales tax refund or exemption for fuel used in commercial

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agricultural production.