



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 59

H.P. 52

House of Representatives, January 11, 2011

An Act To Provide Sales Tax Exemption or Refund on Parts and Supplies Purchased To Operate Windjammers

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative MAZUREK of Rockland.
Cosponsored by Senator RECTOR of Knox and
Representatives: KRUGER of Thomaston, MacDONALD of Boothbay, McKANE of
Newcastle, O'BRIEN of Lincolnville, PETERSON of Rumford, RICHARDSON of Warren,
WELSH of Rockport.

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

2 **Sec. 1. 36 MRSA §2020** is enacted to read:

3 **§2020. Refund of sales tax on purchases of parts and supplies for windjammers**

4 **1. Definition.** For purposes of this section, unless the context otherwise indicates,
5 the following terms have the following meanings.

6 A. "Parts and supplies" means any products necessary for the operation, repair or
7 maintenance of a windjammer, including, but not limited to, sails, rope, wood,
8 rigging, masts, paints, varnishes, undersealers, engines and pumps, and lubricants and
9 fuel.

10 B. "Windjammer" means a large commercial sailing ship designed to carry cargo on
11 long voyages with at least 3 masts and a cargo capacity of at least 2,000 tons that is
12 used to carry cargo or passengers for a fee.

13 **2. Refund authorized.** The State Tax Assessor shall refund to a person that
14 purchases parts and supplies for use in the operation, repair or maintenance of a
15 windjammer the amount of sales tax paid with respect to those parts and supplies upon
16 the person's presenting evidence that the purchase is eligible for a refund under this
17 section. The refund claim must be submitted on a form prescribed by the assessor and
18 must be accompanied by a copy or copies of that portion of the purchaser's most recent
19 filing under the Code indicating that the purchaser is engaged in the operation of a
20 windjammer and such additional information as the assessor may require. An application
21 for a refund under this subsection must be filed with the assessor within 36 months of the
22 date of purchase.

23 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the
24 purchase of parts and supplies for use in the operation, repair or maintenance of a
25 windjammer if the purchaser has obtained a certificate from the assessor stating that the
26 purchaser is engaged in the operation of a windjammer and authorizing the purchaser to
27 purchase parts and supplies for use in the operation, repair and maintenance of a
28 windjammer without paying Maine sales tax. The seller shall obtain a copy of the
29 certificate together with an affidavit as prescribed by the assessor, to be maintained in the
30 seller's records, attesting to the qualification of purchases for exemption pursuant to this
31 section.

32 **4. Audit.** The assessor may audit a claim for refund filed under subsection 2 or the
33 use of a certificate issued under subsection 3. If the assessor determines that the amount
34 of the claimed refund is incorrect or that the certificate has been used inappropriately, the
35 assessor may issue an assessment within 3 years from the date of purchase or the date the
36 claim was filed, whichever is later, or at any time if a fraudulent claim was filed. The
37 claimant may seek reconsideration of the assessment pursuant to section 151.

38 **5. Payment of claims.** The assessor shall pay the approved amount to qualified
39 applicants under this section within 30 days after receipt of a properly completed claim.
40 Interest is not allowed on any payment made to a claimant pursuant to this section.

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SUMMARY

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This bill authorizes a sales tax refund or exemption certificate for purchases of parts and supplies used for the operation, repair or maintenance of a windjammer that is used to carry cargo or passengers for a fee.

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