



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 290

S.P. 104

In Senate, February 5, 2015

**An Act To Refund the Sales Tax Paid on Fuel Used in Commercial
Agricultural Production and Commercial Wood Harvesting**

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
Secretary of the Senate

Presented by Senator CUSHING of Penobscot.
Cosponsored by Representative THERIAULT of China and
Senators: BURNS of Washington, President THIBODEAU of Waldo, Representatives:
ESPLING of New Gloucester, FARRIN of Norridgewock, GUERIN of Glenburn,
HANINGTON of Lincoln, HEAD of Bethel, WADSWORTH of Hiram.

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 a commercial
8 fishing vessel or fuel for use in commercial wood harvesting or commercial agricultural
9 production must be refunded the amount of sales tax paid upon presenting to the State
10 Tax Assessor evidence that the purchase is 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 a commercial fishing vessel
20 is used in qualifying and nonqualifying activities, any reimbursement of the sales tax
21 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 a commercial fishing vessel or for use in commercial
26 wood harvesting or commercial agricultural production or a single item of machinery or
27 equipment if the purchaser has obtained a certificate from the assessor stating that the
28 purchaser is engaged in commercial agricultural production, commercial fishing,
29 commercial aquacultural production or commercial wood harvesting and authorizing the
30 purchaser to purchase electricity, fuel for a commercial fishing vessel or for use in
31 commercial wood harvesting or commercial agricultural production or depreciable
32 machinery and equipment without paying Maine sales tax. The seller is required to
33 obtain a copy of the certificate together with an affidavit as prescribed by the assessor, to
34 be maintained in the seller's records, attesting to the qualification of the purchase for
35 exemption pursuant to this section. In order to qualify for this exemption, the electricity,
36 fuel for a commercial fishing vessel or for use in commercial wood harvesting or
37 commercial agricultural production or depreciable machinery or equipment must be used
38 directly in commercial agricultural production, commercial fishing, commercial
39 aquacultural production or commercial wood harvesting. In order to qualify for this
40 exemption, the electricity or fuel for a commercial fishing vessel or for use in commercial
41 wood harvesting or commercial agricultural production must be used in qualifying
42 activities, including support operations.

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

2 **SUMMARY**

3 This bill provides a sales and use tax refund or exemption for fuel used in commercial
4 wood harvesting or commercial agricultural production.