



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 592

S.P. 208

In Senate, March 3, 2015

**An Act To Extend to Certain Fruit and Vegetable Growers the
Manufacturing Facility Fuel and Electricity Sales Tax Exemptions**

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 WHITTEMORE of Somerset.
Cosponsored by Representative McCABE of Skowhegan and
Senators: HAMPER of Oxford, HASKELL of Cumberland, Representatives: BECK of
Waterville, FARRIN of Norridgewock, LONGSTAFF of Waterville, PICCHIOTTI of
Fairfield, SKOLFIELD of Weld, STETKIS of Canaan.

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

2 **Sec. 1. 36 MRSA §1760, sub-§9-D**, as amended by PL 1999, c. 414, §20, is
3 further amended to read:

4 **9-D. Fuel and electricity used at a manufacturing facility.** Ninety-five percent of
5 the sale price of all fuel and electricity purchased for use at a manufacturing facility. For
6 purposes of the fuel exemption only under this subsection, a greenhouse facility
7 occupying at least 1,000,000 square feet of indoor space operated by an agricultural
8 employer that employs at least 100 employees and is engaged in the year-round
9 commercial production of fruits or vegetables is deemed to be a manufacturing facility.
10 For purposes of this subsection, "sale price" includes, in the case of electricity, any charge
11 for transmission and distribution.

12 **Sec. 2. Effective date.** This Act takes effect January 1, 2016.

13 **SUMMARY**

14 Current law allows a person to request a refund of the amount of sales tax paid on the
15 purchase of electricity used in commercial agricultural production. Current law also
16 provides an exemption from sales tax for 95% of the sale price of fuel and electricity
17 purchased for use at a manufacturing facility.

18 This bill, beginning January 1, 2016, extends the sales tax exemption for fuel to a
19 greenhouse facility that occupies at least 1,000,000 square feet of indoor space that is
20 operated by an agricultural employer that employs at least 100 employees and is engaged
21 in the year-round commercial production of fruits or vegetables. The ability of that
22 agricultural employer to obtain a refund for sales tax paid on electricity used in
23 commercial agriculture production is not affected by this bill.