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AGRICULTURE, CONSERVATION AND FORESTRY

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**STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 256, L.D. 707, Bill, “An Act To Provide Assistance to Maine's Dairy Farms”

Amend the bill by striking out the title and substituting the following:

'An Act To Refund the Sales Tax Paid on Fuel Used in Commercial Agricultural Production'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §2013, sub-§§2 and 3, as amended by PL 2011, c. 657, Pt. N, §2 and affected by §3, are further amended to read:

2. Refund authorized. Any person, association of persons, firm or corporation that purchases electricity, or that purchases or leases depreciable machinery or equipment, for use in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting or that purchases fuel for use in a commercial fishing vessel or for use in commercial agricultural production must be refunded the amount of sales tax paid upon presenting to the State Tax Assessor evidence that the purchase is eligible for refund under this section.

Evidence required by the assessor may include a copy or copies of that portion of the purchaser's or lessee's most recent filing under the United States Internal Revenue Code that indicates that the purchaser or lessee is engaged in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting and that the purchased machinery or equipment is depreciable for those purposes or would be depreciable for those purposes if owned by the lessee.

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

COMMITTEE AMENDMENT

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

3 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the
4 purchase of electricity, fuel for a commercial fishing vessel or for commercial
5 agricultural production or a single item of machinery or equipment if the purchaser has
6 obtained a certificate from the assessor stating that the purchaser is engaged in
7 commercial agricultural production, commercial fishing, commercial aquacultural
8 production or commercial wood harvesting and authorizing the purchaser to purchase
9 electricity, fuel for a commercial fishing vessel or for commercial agricultural production
10 or depreciable machinery and equipment without paying Maine sales tax. The seller is
11 required to obtain a copy of the certificate together with an affidavit as prescribed by the
12 assessor, to be maintained in the seller's records, attesting to the qualification of the
13 purchase for exemption pursuant to this section. In order to qualify for this exemption,
14 the electricity, fuel for a commercial fishing vessel or for commercial agricultural
15 production or depreciable machinery or equipment must be used directly in commercial
16 agricultural production, commercial fishing, commercial aquacultural production or
17 commercial wood harvesting. In order to qualify for this exemption, the electricity or
18 fuel for a commercial fishing vessel or for commercial agricultural production must be
19 used in qualifying activities, including support operations.

20 **Sec. 2. Application.** This Act applies to purchases of fuel for use in commercial
21 agricultural production on or after October 1, 2013.'

22 **SUMMARY**

23 This amendment requires the refund of sales tax on purchases of fuel for use in
24 commercial agricultural production and permits the issuance of a certificate permitting
25 the purchases of such fuel without paying sales tax if the purchaser obtains a certificate
26 verifying eligibility from the State Tax Assessor. The amendment provides an
27 application date of October 1, 2013.