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An Act To Exempt Fuel Used by Commercial Fishing Vessels from the Sales Tax

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the commercial groundfishing and lobstering industries in Maine are in dire economic circumstances; and

Whereas, sales taxes on diesel engine fuel significantly curtail a commercial groundfishing or lobstering operation's ability to remain profitable and economically viable; and

Whereas, neighboring states provide sales tax exemptions to commercial fishing operations, providing incentives for commercial fishing operations to be based at ports outside Maine; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §1752, sub-§1-I is enacted to read:

1-I. Commercial lobstering boat. "Commercial lobstering boat" means a boat that is used for commercial lobstering by the holder of a Class I, Class II or Class III lobster and crab fishing license issued by the Department of Marine Resources.

Sec. 2. 36 MRSA §1760, sub-§8, ¶B, as amended by PL 1987, c. 798, §1, is further amended to read:

B. Internal combustion engine fuel, as defined in section 2902, bought and used for the purpose of propelling jet or turbojet engine aircraft; and

Sec. 3. 36 MRSA §1760, sub-§8, ¶D, as enacted by PL 2007, c. 240, Pt. WWW, §2, is amended to read:

D. Diesel internal combustion engine fuel bought and used from July 1, 2007 to June 30, 2008 for the purpose of operating or propelling a commercial groundfishing boat; and

Sec. 4. 36 MRSA §1760, sub-§8, ¶E is enacted to read:

E. Diesel internal combustion engine fuel bought and used for the purpose of operating or propelling a commercial groundfishing boat or commercial lobstering boat.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

From July 1, 2007 to June 30, 2008, diesel engine fuel used by commercial groundfishing boats was exempt from the sales tax.

This bill restores that exemption and also exempts diesel engine fuel used for the purpose of operating or propelling a commercial lobstering boat.