

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Improve the Competitiveness of Maine's Boat Building Industry**

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

**Sec. 1. 36 MRSA §1760, sub-§25**, as amended by PL 2005, c. 218, §22, is further amended to read:

**25. Watercraft sold to nonresidents.** Sales of watercraft to a nonresident, ~~when the watercraft is intended to be sailed or transported outside the State immediately upon delivery by the seller; sales to a nonresident, under contracts for the construction of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller; sales to a nonresident of materials to be incorporated in the watercraft; and sales to a nonresident for the repair, alteration, refitting, reconstruction, overhaul or restoration of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller, of materials to be incorporated in the watercraft. Unless the watercraft is present in the State, for a purpose other than temporary storage, for more than 30 days during the 12-month period following its date of purchase or is registered in Maine without also being registered in another state or documented with a location in this State, within 12 months of the date of purchase, the purchaser is exempt from the use tax. Notwithstanding section 1752-A, for purposes of this subsection, the term "nonresident" may include an individual, an association, a society, a club, a general partnership, a limited partnership, a domestic or foreign limited liability company, a trust, an estate, a domestic or foreign corporation and any other legal entity.~~

**Sec. 2. Effective date.** This Act takes effect October 1, 2007.

### **SUMMARY**

Current law provides an exemption from the sales tax to a nonresident who purchases a watercraft or materials for the repair or alteration of a watercraft only if the watercraft is transported outside of the State immediately after the sale. If the watercraft is present in the State, other than for temporary storage, for more than 30 days during the 12 months following the sale, then the purchaser is subject to use tax.

This bill removes the time restrictions, thus providing a sales and use tax exemption to watercraft or materials sold to a nonresident of Maine, regardless of the amount of time the watercraft remains in the State.