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## **An Act To Provide Tax Relief to Maine's Forest Products Industry**

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

**Whereas,** Maine is dependent on its natural resources-based economy; and

**Whereas,** the price of diesel fuel in Maine is at an all-time high and is devastating the Maine economy, especially with regard to loggers and truckers carrying forest products; and

**Whereas,** Governor John E. Baldacci has already issued a Declaration of Civil Emergency regarding the high price of diesel fuel and its impact on the State's forest products industry; 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-§2-D** is enacted to read:

**2-D. Forest land.** "Forest land" means land used primarily for the growth of trees to be harvested for commercial use.

**Sec. 2. 36 MRSA §1752, sub-§2-E** is enacted to read:

**2-E. Forest products.** "Forest products" means logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings, biomass or fuel wood or other products commonly known as forest products, but does not include Christmas trees, maple syrup, nursery products used for ornamental purposes, wreaths, bough material or cones or other seed crops.

**Sec. 3. 36 MRSA §2019** is enacted to read:

### **§ 2019. Refund of sales tax on purchases of parts and supplies**

**1. Definition.** For purposes of this section, "harvest-related transport of forest products" means the transportation of forest products from the forest land where they were harvested to their initial destination involving production or use.

**2. Refund authorized.** The State Tax Assessor shall refund to a person that purchases parts and supplies for use in the repair and maintenance of motor vehicles and trailers that are used directly and primarily in the harvest-related transport of forest products the amount of sales tax paid with respect to those parts and supplies upon the person's presenting evidence that the purchase is eligible for a refund under this section. The refund claim must be submitted on a form prescribed by the assessor and must be accompanied by a copy or copies of that portion of the purchaser's most recent filing under the

Code indicating that the purchaser is engaged in the harvest-related transport of forest products and such additional information as the assessor may require. The purchase must have been made on or after April 1, 2008 but before October 1, 2008. An application for a refund under this subsection must be filed with the assessor within 36 months of the date of purchase.

**3. Purchases made free of tax with certificate.** Sales tax need not be paid on the purchase of parts and supplies for use in the repair and maintenance of motor vehicles and trailers that are used directly and primarily in the harvest-related transport of forest products if the purchaser has obtained a certificate from the assessor stating that the purchaser is engaged in the harvest-related transport of forest products and authorizing the purchaser to purchase parts and supplies for use in the repair and maintenance of motor vehicles and trailers without paying Maine sales tax. The seller shall obtain a copy of the certificate together with an affidavit as prescribed by the assessor, to be maintained in the seller's records, attesting to the qualification of purchases for exemption pursuant to this section. In order for the purchase of parts and supplies to qualify for this exemption, the motor vehicle or trailer to be repaired or maintained must be used directly and primarily in the harvest-related transport of forest products.

**4. Audit.** The assessor may audit a claim for refund filed under subsection 2 or the use of a certificate issued under subsection 3. If the assessor determines that the amount of the claimed refund is incorrect or that the certificate has been used inappropriately, the assessor may issue an assessment within 3 years from the date of purchase or the date the claim was filed, whichever is later, or at any time if a fraudulent claim was filed. The claimant may seek reconsideration of the assessment pursuant to section 151.

**5. Payment of claims.** The assessor shall pay the approved amount to qualified applicants under this section within 30 days after receipt of a properly completed claim. Interest is not allowed on any payment made to a claimant pursuant to this section.

**Sec. 4. Transfer funds.** Notwithstanding any other provision of law, the Governor shall transfer by financial order \$175,000 by March 1, 2008 and \$125,000 by July 1, 2008 from the emergency portion of the State Contingent Account to the unappropriated surplus of the General Fund.

**Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Revenue Services - Bureau of 0002**

Initiative: Appropriates funds for computer programming and mailing and printing costs.

GENERAL FUND	2007-08	2008-09
All Other	\$7,000	\$0
GENERAL FUND TOTAL	\$7,000	\$0

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

Effective April 18, 2008.