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Resolve, To Review and Update Sales Tax Exemptions for Products Purchased for Agricultural Use

Sec. 1 Review of rules. Resolved: That the Department of Agriculture, Food and Rural Resources shall review the rules and bulletins of the Department of Administrative and Financial Services, Bureau of Revenue Services related to sales tax exemptions for purchase of agriculture products pursuant to the Maine Revised Statutes, Title 36, section 1760, subsections 7-B and 7-C and the refund of sales taxes related to machinery and equipment purchases for agricultural production pursuant to Title 36, section 2013 and determine whether or not the appropriate products for commercial agricultural crop and animal production are included within the rules' categories for sales tax exemption. The Department of Agriculture, Food and Rural Resources shall provide recommendations to the Department of Administrative and Financial Services, Bureau of Revenue Services for changes to the rules and bulletins by September 15, 2009; and be it further

Sec. 2 Report and recommendations. Resolved: That the Department of Administrative and Financial Services, Bureau of Revenue Services shall review the recommendations of the Department of Agriculture, Food and Rural Resources under section 1 and prepare proposed changes to the rules and bulletins based on the recommendations. The Bureau of Revenue Services shall also prepare a response to the department's recommended changes that includes the bureau's comments, any required statutory changes and provides an estimate of the impact on revenues. The Bureau of Revenue Services shall report its findings and any recommendations along with the draft rules to the Joint Standing Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation and Forestry by January 15, 2010. The Joint Standing Committee on Taxation may submit a bill to the Second Regular Session of the 124th Legislature relating to the report.

SUMMARY

This resolve directs the Department of Agriculture, Food and Rural Resources to review the rules and bulletins of the Department of Administrative and Financial Services, Bureau of Revenue Services related to sales tax exemptions for purchase of agriculture products to determine whether or not the appropriate products for commercial agricultural crop and animal production are included within the rules' categories for sales tax exemption and to provide recommendations to the Department of Administrative and Financial Services, Bureau of Revenue Services for changes to the rules and bulletins by September 15, 2009. It directs the bureau to review the recommendations and to prepare proposed changes to the rules and bulletins as well as a response to the recommended changes that identifies any required statutory changes and provides an estimate of the impact on revenues. It requires the bureau to report its findings and any recommendations along with the draft rules to the Joint Standing Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation and Forestry by January 15, 2010 and gives the Joint Standing Committee on Taxation authority to submit a bill to the Second Regular Session of the 124th Legislature relating to the report.