

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

## **An Act Pertaining to Sales Tax Exemptions for Products Purchased for Agricultural Use**

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

**Sec. 1. 36 MRSA §1760, sub-§7-C**, as enacted by PL 2005, c. 12, Pt. GGG, §2, is amended to read:

**7-C. Products used in animal agriculture.** Sales of breeding stock, semen, embryos, feed, hormones, antibiotics, medicine, pesticides and litter for use in animal agricultural production and sales of antiseptics and cleaning agents used in commercial animal agricultural production. Animal agricultural production includes the raising and keeping of equines.

**Sec. 2. 36 MRSA §1760-D** is enacted to read:

**§ 1760-D. Determination of exemptions for products used in commercial agricultural or silvicultural production or animal agriculture; information posted on publicly accessible website**

**1. List of products.** The assessor shall post a list of products used in commercial agricultural or silvicultural production or in animal agriculture for which a written definitive determination on the applicability of a sales tax exemption under section 1760, subsection 7-B or 7-C has been made on the bureau's publicly accessible website. The list must include the name of the product, other information necessary to identify the product at the point of sale and the determination of whether or not that product is exempt from sales tax under section 1760, subsection 7-B or 7-C.

When the assessor receives a request in writing for an interpretation on whether or not a product used in commercial agricultural or silvicultural production or in animal agriculture is exempt from sales tax under section 1760, subsection 7-B or 7-C, the assessor shall respond in writing. When the information in the request is sufficient to make a definitive determination on the applicability of the sales tax exemption, the assessor shall within 3 weeks of making the determination add the appropriate information to the list maintained under this section.

**2. Information on processes for appeals and refunds.** The assessor shall provide information on the bureau's publicly accessible website on the process to appeal a determination on the applicability of an exemption to a product under section 1760, subsection 7-B or 7-C and to request a refund for sales tax paid on an exempt product.

**Sec. 3. 36 MRSA §2013, sub-§4** is enacted to read:

**4. Information on processes for refunds and appeals.** The assessor shall post information describing the process for requesting a refund under this section on the bureau's publicly accessible website along with a description of the process to appeal a decision by the assessor under section 2011.

### **SUMMARY**

This bill is the report of the Joint Standing Committee on Agriculture, Conservation and Forestry submitted pursuant to Resolve 2009, chapter 25, section 3. It amends provisions for exempting products used in animal agriculture to clarify that antiseptics and cleaning agents used in commercial animal agricultural production are exempt from sales tax. It requires the State Tax Assessor to post on the Bureau of Revenue Services' publicly accessible website a list of products for which a determination on tax exempt status under the exemption for products used in commercial agricultural or silvicultural production or animal agriculture has been made. It also requires the State Tax Assessor to post information regarding the process by which a person can request a refund for or appeal a decision by the assessor regarding sales tax paid on products used in commercial agricultural and silvicultural production or in animal agriculture and refunds of sales taxes paid on depreciable machinery and equipment or electricity for use in commercial agricultural production, commercial fishing or commercial aquacultural production.

### **FISCAL NOTE REQUIRED**

**(See attached)**