



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 185

H.P. 162

House of Representatives, January 27, 2011

An Act To Refund the Sales Tax Paid on Fuel Used in Commercial Fishing Vessels

Reference to the Committee on Taxation suggested and ordered printed.

Handwritten signature of Heather J.R. Priest.

HEATHER J.R. PRIEST
Clerk

Presented by Representative MacDONALD of Boothbay.
Cosponsored by Senator TRAHAN of Lincoln and
Representatives: BELIVEAU of Kittery, KRUGER of Thomaston, KUMIEGA of Deer Isle,
MAZUREK of Rockland, McKANE of Newcastle.

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

2 **Sec. 1. 36 MRSA §2013, sub-§2**, as amended by PL 2001, c. 396, §24, is further
3 amended to read:

4 **2. Refund authorized.** Any person, association of persons, firm or corporation that
5 purchases electricity, or that purchases or leases depreciable machinery or equipment, for
6 use in commercial agricultural production, commercial fishing or commercial
7 aquacultural production or that purchases fuel for use in a commercial fishing vessel must
8 be refunded the amount of sales tax paid upon presenting to the State Tax Assessor
9 evidence that the purchase is eligible for refund under this section.

10 Evidence required by the assessor may include a copy or copies of that portion of the
11 purchaser's or lessee's most recent filing under the United States Internal Revenue Code
12 that indicates that the purchaser or lessee is engaged in commercial agricultural
13 production, commercial fishing or commercial aquacultural production and that the
14 purchased machinery or equipment is depreciable for those purposes or would be
15 depreciable for those purposes if owned by the lessee.

16 In the event that any piece of machinery or equipment is only partially depreciable under
17 the United States Internal Revenue Code, any reimbursement of the sales tax must be
18 prorated accordingly. In the event that electricity or fuel for a commercial fishing vessel
19 is used in qualifying and nonqualifying activities, any reimbursement of the sales tax
20 must be prorated accordingly.

21 Application for refunds must be filed with the assessor within 36 months of the date of
22 purchase or execution of the lease.

23 **Sec. 2. 36 MRSA §2013, sub-§3**, as amended by PL 2001, c. 396, §24, is further
24 amended to read:

25 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the
26 purchase of electricity, fuel for a commercial fishing vessel or of a single item of
27 machinery or equipment if the purchaser has obtained a certificate from the assessor
28 stating that the purchaser is engaged in commercial agricultural production, commercial
29 fishing or commercial aquacultural production and authorizing the purchaser to purchase
30 electricity, fuel for a commercial fishing vessel or depreciable machinery and equipment
31 without paying Maine sales tax. The seller is required to obtain a copy of the certificate
32 together with an affidavit as prescribed by the assessor, to be maintained in the seller's
33 records, attesting to the qualification of the purchase for exemption pursuant to this
34 section. In order to qualify for this exemption, the electricity, fuel for a commercial
35 fishing vessel or depreciable machinery or equipment must be used directly in
36 commercial agricultural production, commercial fishing or commercial aquacultural
37 production. In order to qualify for this exemption, the electricity or fuel for a commercial
38 fishing vessel must be used in qualifying activities, including support operations.

39 **Sec. 3. Application.** This Act applies to purchases of fuel for use in a commercial
40 fishing vessel on or after October 1, 2011.

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SUMMARY

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This bill requires the refund of sales tax on purchases of fuel for use in a commercial fishing vessel and permits the issuance of a certificate permitting the purchases of such fuel without paying sales tax if the purchaser obtains a certificate verifying eligibility from the State Tax Assessor.

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