



126th MAINE LEGISLATURE

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Legislative Document

No. 741

S.P. 279

In Senate, February 28, 2013

**An Act To Promote Fairness in the Sales Tax Exemption for
Vehicles Used in Interstate Commerce**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator THOMAS of Somerset.
Cosponsored by Representative GIFFORD of Lincoln and
Senators: COLLINS of York, SHERMAN of Aroostook, WHITTEMORE of Somerset,
Representatives: BROOKS of Winterport, DAVIS of Sangerville, FREDETTE of Newport,
HARVELL of Farmington, TIMBERLAKE of Turner.

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

2 **Sec. 1. 36 MRSA §1760, sub-§41**, as amended by PL 2011, c. 501, §1, is further
3 amended to read:

4 **41. Certain instrumentalities of interstate or foreign commerce.** The sale of a
5 vehicle, railroad rolling stock, aircraft or watercraft that is placed in use by the purchaser
6 as an instrumentality of interstate or foreign commerce within 30 days after that sale and
7 that is used by the purchaser not less than 80% of the time for the next 2 years as an
8 instrumentality of interstate or foreign commerce. The State Tax Assessor may for good
9 cause extend for not more than 60 days the time for placing the instrumentality in use in
10 interstate or foreign commerce. For purposes of this subsection, property is "placed in
11 use as an instrumentality of interstate or foreign commerce" by its carrying of, or
12 providing the motive power for the carrying of, a bona fide payload in interstate or
13 foreign commerce, or by being dispatched to a specific location at which it will be loaded
14 upon arrival with, or will be used as motive power for the carrying of, a payload in
15 interstate or foreign commerce. For purposes of this subsection, property "placed in use
16 as an instrumentality of interstate or foreign commerce" includes property without
17 operating authority under 49 Code of Federal Regulations, Section 392.9a. For purposes
18 of this subsection, "bona fide payload" means a cargo of persons or property transported
19 by a contract or common carrier for compensation that exceeds the direct cost of carrying
20 that cargo or pursuant to a legal obligation to provide service as a public utility or a cargo
21 of property transported in the reasonable conduct of the purchaser's own
22 nontransportation business in interstate commerce.

23 B. For purposes of this subsection, personal property is not in use as an
24 instrumentality of interstate or foreign commerce when carrying a bona fide payload
25 that both originates and terminates within the State, unless the personal property is a
26 bus with a capacity of at least 47 passengers that is engaged in transporting within the
27 State a bona fide payload of travelers on an interstate or foreign cruise that originates
28 outside the State and terminates outside the State and the transportation is provided
29 pursuant to a contract between the interstate or foreign cruise provider and the person
30 providing the transportation.

31 C. The exemption provided by this subsection is not limited to instrumentalities
32 otherwise required to be exempt under the United States Constitution.

33 **SUMMARY**

34 This bill provides a sales tax exemption for vehicles used in interstate or foreign
35 commerce, including those without operating authority under 49 Code of Federal
36 Regulations, Section 392.9a.