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An Act To Extend to Certain Fruit and Vegetable Growers the Manufacturing Facility Fuel and Electricity Sales Tax Exemptions

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

Sec. 1. 36 MRSA §1760, sub-§9-D, as amended by PL 1999, c. 414, §20, is further amended to read:

9-D. Fuel and electricity used at a manufacturing facility. Ninety-five percent of the sale price of all fuel and electricity purchased for use at a manufacturing facility. For purposes of the fuel exemption only under this subsection, a greenhouse facility occupying at least 1,000,000 square feet of indoor space operated by an agricultural employer that employs at least 100 employees and is engaged in the year-round commercial production of fruits or vegetables is deemed to be a manufacturing facility. For purposes of this subsection, "sale price" includes, in the case of electricity, any charge for transmission and distribution.

Sec. 2. Effective date. This Act takes effect January 1, 2016.

SUMMARY

Current law allows a person to request a refund of the amount of sales tax paid on the purchase of electricity used in commercial agricultural production. Current law also provides an exemption from sales tax for 95% of the sale price of fuel and electricity purchased for use at a manufacturing facility.

This bill, beginning January 1, 2016, extends the sales tax exemption for fuel to a greenhouse facility that occupies at least 1,000,000 square feet of indoor space that is operated by an agricultural employer that employs at least 100 employees and is engaged in the year-round commercial production of fruits or vegetables. The ability of that agricultural employer to obtain a refund for sales tax paid on electricity used in commercial agriculture production is not affected by this bill.