



# 131st MAINE LEGISLATURE

## SECOND REGULAR SESSION-2024

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Legislative Document

No. 2279

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S.P. 994

In Senate, March 25, 2024

**An Act to Promote Equity in the Forest Products Industry by  
Allowing Commercial Wood Haulers to Be Eligible for Certain Sales  
Tax Exemptions and Refunds**

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Agriculture, Conservation and Forestry 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 President JACKSON of Aroostook.

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

2 **Sec. 1. 36 MRSA §2013, sub-§1, ¶B-1**, as enacted by PL 2011, c. 657, Pt. N, §2  
3 and affected by §3, is amended to read:

4 B-1. "Commercial wood harvesting" means the commercial severance and yarding of  
5 trees for sale or for processing into logs, pulpwood, bolt wood, wood chips, stud wood,  
6 poles, pilings, biomass or fuel wood or other products commonly known as forest  
7 products. "Commercial wood harvesting" includes the commercial hauling of trees,  
8 logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings, biomass or fuel  
9 wood or other products commonly known as forest products to a facility that processes  
10 or uses trees, logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings,  
11 biomass or fuel wood or other products commonly known as forest products.

12 **Sec. 2. 36 MRSA §2013, sub-§1, ¶C**, as amended by PL 2019, c. 7, §2, is further  
13 amended by amending subparagraph (4) to read:

14 (4) New or used machinery and equipment for use directly and primarily in  
15 commercial wood harvesting, including, but not limited to, chain saws, skidders,  
16 delimiters, forwarders, slashers, feller bunchers ~~and~~ wood chippers, trucks as  
17 defined in Title 29-A, section 101, subsection 88, truck tractors as defined in Title  
18 29-A, section 101, subsection 90 and trailers.

19 **Sec. 3. 36 MRSA §2013, sub-§1, ¶C**, as amended by PL 2019, c. 7, §2, is further  
20 amended by amending the first blocked paragraph to read:

21 ~~"Depreciable~~ Except as provided in subparagraph (4), "depreciable machinery and  
22 equipment" does not include a motor vehicle as defined in section 1752, subsection 7  
23 or a trailer as defined in section 1752, subsection 19-A.

24 **Sec. 4. 36 MRSA §2013, sub-§2**, as amended by PL 2015, c. 481, Pt. B, §1 and  
25 affected by §2, is further amended to read:

26 **2. Refund authorized.** Any person, association of persons, firm or corporation that  
27 purchases electricity or fuel, or that purchases or leases depreciable machinery or  
28 equipment, for use in commercial agricultural production, commercial fishing, or  
29 commercial aquacultural production ~~or commercial wood harvesting~~ must be refunded the  
30 amount of sales tax paid upon presenting to the State Tax Assessor evidence that the  
31 purchase is eligible for refund under this section.

32 Any person, employer or employing unit as defined in Title 26, section 1043, subsection  
33 10 that makes contributions or is eligible to receive benefits under Title 26, chapter 13,  
34 subchapter 7 or 6, respectively, and that purchases electricity or fuel, or that purchases or  
35 leases depreciable machinery or equipment, for use in commercial wood harvesting must  
36 be refunded the amount of sales tax paid upon presenting to the State Tax Assessor  
37 evidence that the purchase is eligible for refund under this section.

38 Evidence required by the assessor may include a copy or copies of that portion of the  
39 purchaser's or lessee's most recent filing under the United States Internal Revenue Code  
40 that indicates that the purchaser or lessee is engaged in commercial agricultural production,  
41 commercial fishing, commercial aquacultural production or commercial wood harvesting  
42 and that the purchased machinery or equipment is depreciable for those purposes or would  
43 be depreciable for those purposes if owned by the lessee.

1 In the event that any piece of machinery or equipment is only partially depreciable under  
2 the United States Internal Revenue Code, any reimbursement of the sales tax must be  
3 prorated accordingly. In the event that electricity or fuel is used in qualifying and  
4 nonqualifying activities, any reimbursement of the sales tax must be prorated accordingly.

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

7 **Sec. 5. 36 MRSA §2013, sub-§3**, as amended by PL 2015, c. 481, Pt. B, §1 and  
8 affected by §2, is further amended to read:

9 **3. Purchases made free of tax with certificate.** Sales tax need not be paid on the  
10 purchase of electricity, fuel or a single item of machinery or equipment if the purchaser has  
11 obtained a certificate from the assessor stating that the purchaser is engaged in commercial  
12 agricultural production, commercial fishing, commercial aquacultural production or  
13 commercial wood harvesting and authorizing the purchaser to purchase electricity, fuel or  
14 depreciable machinery and equipment without paying Maine sales tax. The seller is  
15 required to obtain a copy of the certificate together with an affidavit as prescribed by the  
16 assessor, to be maintained in the seller's records, attesting to the qualification of the  
17 purchase for exemption pursuant to this section. In order to qualify for this exemption, the  
18 electricity, fuel or depreciable machinery or equipment must be used directly in commercial  
19 agricultural production, commercial fishing, commercial aquacultural production or  
20 commercial wood harvesting. In order to qualify for this exemption, the electricity or fuel  
21 must be used in qualifying activities, including support operations. In order to qualify for  
22 this exemption for a purchaser engaged in commercial wood harvesting, the purchaser must  
23 be a person, employer or employing unit as defined in Title 26, section 1043, subsection  
24 10 that makes contributions or is eligible to receive benefits under Title 26, chapter 13,  
25 subchapter 7 or 6, respectively.

## 26 SUMMARY

27 This bill provides that commercial haulers of forest products are eligible for the sales  
28 tax exemption for purchases of electricity, fuel and depreciable machinery and equipment,  
29 including trucks, truck tractors and trailers. It also provides that to be eligible for the sales  
30 tax exemption for purchases of electricity, fuel and depreciable machinery and equipment  
31 for use in commercial wood harvesting, a person, employer or employing unit must make  
32 contributions or be eligible to receive benefits under the laws governing unemployment  
33 compensation.