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TAXATION

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**STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 112, L.D. 279, Bill, “An Act To Sustain Maine's Aviation Industry by Extending the Exemption from Sales and Use Tax for Aircraft and Parts”

Amend the bill by inserting after the enacting clause the following:

'Sec. 1. 36 MRSA §199-C, sub-§3, as enacted by PL 2011, c. 665, §6, is repealed and the following enacted in its place:

3. Specific tax expenditure reviews. The committee shall review specific tax expenditures as follows.

A. By June 1, 2021, the committee shall review the income tax credit under section 5217-D to determine whether the credit should be retained, repealed or modified. The committee shall consider information provided by the bureau and the Department of Education pursuant to Title 20-A, section 12545.

B. By June 30, 2023, the committee shall review the sales tax exemption under section 1760, subsection 88-A to determine whether it provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and the basing of aircraft in the State.'

Amend the bill in section 1 in subsection 88-A in the last line (page 1, line 6 in L.D.) by striking out the following: "~~from July 1, 2011 to June 30, 2015~~" and inserting the following: 'from July 1, 2011 to June 30, 2033'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment extends the exemption for aircraft and aircraft parts from Maine's sales and use tax until June 30, 2033; the bill made the exemption permanent. The amendment also requires that, by June 30, 2023, the joint standing committee of the Legislature having jurisdiction over taxation matters review the tax expenditure to

COMMITTEE AMENDMENT

1 determine whether it provides an incentive for increasing investment in the aviation
2 sector, attracting and retaining aviation business and the basing of aircraft in the State.
3 The exemption is currently scheduled to expire on June 30, 2015.

4 **FISCAL NOTE REQUIRED**

5 **(See attached)**