

SENATE

JOHN M. NUTTING, DISTRICT 17, CHAIR
BRUCE S. BRYANT, DISTRICT 14
ROGER L. SHERMAN, DISTRICT 34

JILL IPPOLITI, LEGISLATIVE ANALYST
Darlene Simoneau, COMMITTEE CLERK



HOUSE

WENDY PIEH, BREMEN, CHAIR
NANCY E. SMITH, MONMOUTH
BENJAMIN M. PRATT, EDDINGTON
LEILA J. PERCY, PHIPPSBURG
PETER S. KENT, WOOLWICH
JEFF M. McCABE, SKOWHEGAN
ANDREW ROESING O'BRIEN, LINCOLNVILLE
PETER EDGECOMB, CARIBOU
DEAN A. CRAY, PALMYRA
JEFFERY A. GIFFORD, LINCOLN

STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

TO: Senator Bill Diamond, Senate Chair
Representative Emily Cain, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator John M. Nutting, Senate Chair *JMN*
Representative Wendy Pieh, House Chair *WP*
Joint Standing Committee on Agriculture, Conservation and Forestry

DATE: March 31, 2010

RE: Appropriations Table Priority

The Joint Standing Committee on Agriculture, Conservation and Forestry has only one bill on the Appropriations Table this session. L.D. 1821 An Act Pertaining to Sales Tax Exemptions for Products Purchased for Agricultural Use is an ACF committee bill authorized last session in a resolve that directed the Maine Bureau of Revenue Services and the Department of Agriculture, Food, and Rural Resources to report back on sales tax exemptions used in commercial agriculture.

The committee is responding to testimony from many producers and retailers of supplies and equipment used in agricultural production. A common thread was inconsistent interpretations on a product's eligibility for the sales tax exemption. This bill goes a long way towards addressing the concerns. The fiscal impact is estimated to be \$1,710 in reduced revenue in 2010-11.

LD 1821 will facilitate more uniform interpretations of sales tax exemptions for products used in agriculture. We worked hard as a committee to craft a bill that would help both agricultural producers and suppliers without having a large fiscal impact. We believe that we have succeeded. ACF is unanimous in urging you to move this bill off the table as it is presented.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
Members, Joint Standing Committee on Agriculture, Conservation and Forestry