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By Mr. Desmond of Lowell, petition of John J. Desmond for legislation to make certain sales of tools and fuel or any substitute therefor subject to the sales tax. Taxation.

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**The Commonwealth of Massachusetts**

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In the Year One Thousand Nine Hundred and Seventy.

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AN ACT MAKING CERTAIN SALES OF TOOLS AND FUEL OR ANY SUBSTITUTE THEREFORE PRESENTLY EXEMPT FROM THE SALES TAX SUBJECT TO SAME.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 6 of chapter 64H of the General Laws is  
2 hereby amended by striking out clause (r), as appearing in  
3 section 1 of chapter 757 of the acts of 1967, and inserting in  
4 place thereof the following clause:—

5 (r) Sales of materials, tools and fuel, or any substitute  
6 therefore, which becomes an ingredient or component part of  
7 tangible personal property to be sold or which are consumed  
8 and used directly in agricultural production, in commercial  
9 fishing, in an industrial plant in the process of manufacture of  
10 tangible personal property to be sold but excluding the  
11 publication of a newspaper, or in the furnishing of power to  
12 an industrial manufacturing plant. For the purpose of this  
13 paragraph, the raising of poultry and livestock shall be  
14 construed to be included in the term "agricultural produc-  
15 tion", any material, tool or fuel shall be construed to be "used  
16 and consumed" only if its normal useful life is less than one  
17 year or if its cost is allowed or allowable as an ordinary and  
18 necessary business expense for federal income tax purposes;  
19 and the term "industrial plant" shall mean a factory or similar  
20 business establishment at a fixed location primarily engaged  
21 in the manufacture of tangible personal property to be sold in  
22 the regular course of business.

1 SECTION 2. Said section 6 of said chapter 64H is hereby  
2 further amended by striking out clause (s), as so appearing,  
3 and inserting in place thereof the following clause:—

4 (s) Sales of machinery or replacement parts thereof, used  
5 directly in agricultural production, in commercial fishing, in  
6 an industrial plant in the manufacture, conversion or process-  
7 ing of tangible personal property to be sold, but excluding the  
8 publication of a newspaper, or in the furnishing of power to  
9 an industrial manufacturing plant. For the purposes of this  
10 paragraph, the raising of poultry and livestock shall be con-  
11 strued to be included in the term "agricultural production"  
12 and the term "industrial plant" shall mean a factory or  
13 similar establishment at a fixed location primarily engaged in  
14 the manufacture of tangible personal property to be sold in  
15 the regular course of business.