

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Repeal the Maine Use Tax**

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

**Sec. 1. 23 MRSA §7103-A**, as enacted by PL 2005, c. 457, Pt. GGG, §5, is amended to read:

### **§ 7103-A. Deposit into State Transit, Aviation and Rail Transportation Fund account**

Effective October 1, 2005, the Treasurer of State shall receive all revenue derived from the tax levied pursuant to Title 36, chapter 361 and taxes paid under Title 36, section 1865 and shall deposit all revenue in a separate account to be known as the State Transit, Aviation and Rail Transportation Fund account.

**Sec. 2. 36 MRSA §1758, sub-§2**, as enacted by PL 1999, c. 708, §24, is amended to read:

**2. Generally; tax imposed on rental payments.** This section governs the taxation of tangible personal property that is purchased for resale in this State, other than at casual sale, and upon which no sales tax has been paid pursuant to chapters 211 to 225 when the property is rented or leased after purchase on an interim basis by the purchaser to another person prior to being sold. ~~In lieu of the use tax otherwise imposed by section 1861, a~~ tax is imposed at the same rate as that provided in the case of sales taxes by section 1811 upon all rentals received by the purchaser for the use of that property.

**Sec. 3. 36 MRSA c. 215**, as amended, is repealed.

**Sec. 4. 36 MRSA §2908, 3rd ¶**, as repealed and replaced by PL 2005, c. 683, Pt. B, §31, is repealed.

**Sec. 5. 36 MRSA §3218, 3rd ¶**, as repealed and replaced by PL 2003, c. 390, §17, is repealed.

**Sec. 6. 36 MRSA §3218-A**, as enacted by PL 2003, c. 498, §10, is amended to read:

### **§ 3218-A. Refunds of tax for fuel used by railroads**

Beginning July 1, 2004, the assessor shall monitor the amount of refunds paid under section 3218 for fuel consumed by vehicles operating on rails ~~and monitor the amount of use tax paid on fuel consumed by vehicles operating on rails under chapter 215.~~

**Sec. 7. 36 MRSA §7122, sub-§7**, as enacted by PL 2001, c. 496, §1, is repealed.

**Sec. 8. Revisor's review; cross-references.** The Revisor of Statutes shall review the Maine Revised Statutes and include in the errors and inconsistencies bill submitted to the Second Regular Session of the 123rd Legislature pursuant to Title 1, section 94 any sections necessary to correct and update any cross-references in the statutes to provisions of law repealed in this Act.

**Sec. 9. Effective date.** This Act takes effect October 1, 2007.

## **SUMMARY**

This bill repeals the use tax, which imposes a tax at the same rate as the sales tax on the storage, use or other consumption in this State of tangible personal property or a service if the sale of that property or service would be subject to tax under the sales tax laws.