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An Act To Clarify That Certain Separately Itemized Charges Are Subject to the Sales Tax on the Rental of Motor Vehicles

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

Sec. 1. 36 MRSA §1811, first ¶, as amended by PL 2001, c. 439, Pt. TTTT, §2 and affected by §3, is further amended to read:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided. For purposes of this section, "value of rental for a period of less than one year of an automobile" includes any separately itemized charge on the rental agreement to recover the owner's estimated average daily cost per vehicle of the charges imposed by governmental authority for title fees, registration fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State.

SUMMARY

This bill clarifies that separately itemized charges to recover title fees, registration fees, local excise tax and agent fees are subject to the sales tax on the rental of motor vehicles.