

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 Exempt Certain Shipping Fees from the Sales Tax**

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

**Sec. 1. 36 MRSA §1752, sub-§14, ¶B,** as amended by PL 2005, c. 675, §1 and affected by §2, is further amended to read:

B. "Sale price" does not include:

- (1) Discounts allowed and taken on sales;
- (2) Allowances in cash or by credit made upon the return of merchandise pursuant to warranty;
- (3) The price of property returned by customers, when the full price is refunded either in cash or by credit;
- (4) The price received for labor or services used in installing or applying or repairing the property sold, if separately charged or stated;
- (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically stated service charge, when that amount is to be disbursed by a hotel, motel, restaurant or other eating establishment to its employees as wages;
- (6) The amount of any tax imposed by the United States on or with respect to retail sales, whether imposed upon the retailer or the consumer, except any manufacturers', importers', alcohol or tobacco excise tax;
- (7) ~~The cost of transportation from the retailer's place of business or other point from which shipment is made directly to the purchaser, provided that~~ of goods if those charges are separately stated and the transportation occurs by means of common carrier, contract carrier or the United States mail;
- (8) The fee imposed by Title 10, section 1169, subsection 11;
- (9) The fee imposed by section 4832, subsection 1;

(10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection 2-B; or

(11) Any amount charged or collected by a person engaged in the rental of living quarters as a forfeited room deposit or cancellation fee if the prospective occupant of the living quarters cancels the reservation on or before the scheduled date of arrival.

### **SUMMARY**

Current law provides a sales tax exemption for the cost of shipping goods, but only if the goods are shipped from the retailer directly to the purchaser, the charges are separately stated and the shipping is done by common carrier, contract carrier or the United States mail.

This bill exempts from the sales tax the cost of transportation of goods, regardless of to whom they are shipped, as long as the transportation charges are separately stated and the shipping is done by common carrier, contract carrier or the United States mail.