



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 469

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H.P. 362

House of Representatives, February 10, 2011

### An Act To Increase the Collection of Sales and Use Tax

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative DILL of Cape Elizabeth.  
Cosponsored by Representatives: BERRY of Bowdoinham, BRYANT of Windham,  
FLEMINGS of Bar Harbor, PILON of Saco, Senator: BLISS of Cumberland.

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

2 **Sec. 1. 36 MRSA §1766** is enacted to read:

3 **§1766. Notification and duty to report certain information**

4 **1. Presumption.** For the purposes of this section, a retailer that does not collect  
5 sales tax in the State and that is a part of a controlled group of corporations, as defined in  
6 Section 1563(a) of the Code, that has a component member, as defined in Section 1563(b)  
7 of the Code, that is a retailer with a physical presence in this State is presumed to be  
8 doing business in this State.

9 **2. Notification at time of purchase.** A retailer doing business in this State that does  
10 not collect sales tax in this State shall notify purchasers in this State at the time of  
11 purchase that sales or use tax may be due on certain purchases made from the retailer and  
12 that the State requires the purchaser to file a sales or use tax return. Failure to provide the  
13 notice is a civil violation for which a fine may be assessed in the amount of \$5 for each  
14 such failure.

15 **3. Annual notice.** A retailer that does not collect sales tax in this State and that is  
16 doing business in this State shall provide a notice to each purchaser in this State by  
17 January 31st annually showing the total amount paid by the purchaser to the retailer for  
18 purchases delivered into the State in the previous calendar year. Failure to provide the  
19 annual notice is a civil violation for which a fine may be assessed in the amount of \$10  
20 for each such failure. The notice must be provided by first-class mail and include the  
21 words "Important Tax Document Enclosed" on the exterior of the mailing. The notice  
22 must include the following information, if available:

23 **A.** Dates of and amounts paid for purchases;

24 **B.** Descriptions of items purchased, including, if known by the retailer, whether a  
25 purchase is exempt from sales and use tax; and

26 **C.** A statement that the laws of this State require that a sales or use tax return be filed  
27 and tax paid on certain purchases made by the purchaser from the retailer.

28 **4. Report to bureau.** A retailer that is required to notify purchasers under this  
29 section shall file with the bureau a statement by March 1st annually showing the  
30 information provided to each purchaser in the State for which notice is required under  
31 subsection 3. Failure to file the statement is a civil violation for which a fine may be  
32 assessed in the amount of \$10 for each purchaser who should have been included in the  
33 statement.

34 **Sec. 2. Application.** This Act applies to sales made on or after November 1, 2011.

35 **SUMMARY**

36 This bill requires out-of-state retailers that are not required to collect sales tax and  
37 that are part of a controlled group of corporations with a connection in the State to notify  
38 purchasers in the State of the obligation to pay sales or use tax and requires those retailers

1 to provide annual statements of purchases to the purchasers and the Department of  
2 Administrative and Financial Services, Maine Revenue Services. Fines are provided for  
3 failure to provide the required notifications and statements.