



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1589

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H.P. 1093

House of Representatives, May 9, 2017

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**An Act To Simplify the Taxation of Leasing Tangible Personal  
Property and To Clarify the Incidence of Use Tax**

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative HILLIARD of Belgrade.

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

2 **PART A**

3 **Sec. A-1. 36 MRSA §1752, sub-§§5-D and 5-E** are enacted to read:

4 **5-D. Lease or rental.** "Lease" or "rental" includes sublease or subrental and means  
5 any transfer of possession or control of tangible personal property for a fixed or  
6 indeterminate term for consideration. A lease or rental may include future options to  
7 purchase or extend. "Lease" or "rental" does not include providing tangible personal  
8 property along with an operator for a fixed or indeterminate period of time, when that  
9 operator is necessary for the equipment to perform as designed and the operator does  
10 more than maintain, inspect or set up the tangible personal property.

11 **5-E. Lessor.** "Lessor" means a person who leases or rents tangible personal property  
12 located in this State to another person or who is required to register by section 1754-A or  
13 1754-B or who is registered under section 1756.

14 **Sec. A-2. 36 MRSA §1752, sub-§10**, as repealed and replaced by PL 1997, c.  
15 393, Pt. A, §41, is amended to read:

16 **10. Retailer.** "Retailer" means a person who makes retail sales or is a lessor of  
17 tangible personal property or who is required to register by section 1754-A or 1754-B or  
18 who is registered under section 1756.

19 **Sec. A-3. 36 MRSA §1752, sub-§11, ¶B**, as amended by PL 2015, c. 390, §5, is  
20 further amended to read:

21 B. "Retail sale" does not include:

22 (1) Any casual sale;

23 (2) Any sale by a personal representative in the settlement of an estate unless the  
24 sale is made through a retailer or the sale is made in the continuation or operation  
25 of a business;

26 (3) The sale, to a person engaged in the business of renting automobiles, of  
27 automobiles, integral parts of automobiles or accessories to automobiles, for  
28 rental or for use in an automobile rented for a period of less than one year. For  
29 the purposes of this subparagraph, "automobile" includes a pickup truck or van  
30 with a gross vehicle weight of less than 26,000 pounds;

31 ~~(4) The sale, to a person engaged in the business of renting video media and~~  
32 ~~video equipment, of video media or video equipment for rental;~~

33 ~~(5) The sale, to a person engaged in the business of renting or leasing~~  
34 ~~automobiles, of automobiles for rental or lease for one year or more;~~

35 (6) The sale, to a person engaged in the business of providing cable or satellite  
36 television services or satellite radio services, of associated equipment for rental or  
37 lease to subscribers in conjunction with a sale of cable or satellite television  
38 services or satellite radio services;

- 1 ~~(7) The sale, to a person engaged in the business of renting furniture or audio~~  
2 ~~media and audio equipment, of furniture, audio media or audio equipment for~~  
3 ~~rental pursuant to a rental purchase agreement as defined in Title 9-A, section~~  
4 ~~11-105;~~
- 5 (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant  
6 to Title 29-A, section 953;
- 7 (9) The sale of automobile repair parts used in the performance of repair services  
8 on an automobile pursuant to an extended service contract sold on or after  
9 September 20, 2007 that entitles the purchaser to specific benefits in the service  
10 of the automobile for a specific duration;
- 11 (10) The sale, to a retailer that has been issued a resale certificate pursuant to  
12 section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in  
13 the form of tangible personal property, except resale as a casual sale;
- 14 (11) The sale, to a retailer that has been issued a resale certificate pursuant to  
15 section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except  
16 resale as a casual sale;
- 17 (12) The sale, to a retailer that is not required to register under section 1754-B,  
18 of tangible personal property for resale outside the State in the form of tangible  
19 personal property, except resale as a casual sale;
- 20 (13) The sale, to a retailer that is not required to register under section 1754-B,  
21 of a taxable service for resale outside the State, except resale as a casual sale;
- 22 (14) The sale of repair parts used in the performance of repair services on  
23 telecommunications equipment as defined in section 2551, subsection 19  
24 pursuant to an extended service contract that entitles the purchaser to specific  
25 benefits in the service of the telecommunications equipment for a specific  
26 duration;
- 27 ~~(15) The sale of positive airway pressure equipment and supplies for rental for~~  
28 ~~personal use to a person engaged in the business of renting positive airway~~  
29 ~~pressure equipment;~~
- 30 ~~(16) The sale, to a person engaged in the business of renting or leasing motor~~  
31 ~~homes, as defined in Title 29-A, section 101, subsection 40, or camper trailers, of~~  
32 ~~motor homes or camper trailers for rental; or~~
- 33 (17) The sale of truck repair parts used in the performance of repair services on a  
34 truck pursuant to an extended service contract that entitles the purchaser to  
35 specific benefits in the service of the truck for a specific duration; or
- 36 (18) The sale, to a retailer who has been issued a resale certificate pursuant to  
37 section 1754-B, subsection 2-B or 2-C and is engaged in the business of renting  
38 or leasing tangible personal property, of tangible personal property for lease or  
39 rental.

40 **Sec. A-4. 36 MRSA §1752, sub-§13**, as amended by PL 1981, c. 706, §20, is  
41 repealed and the following enacted in its place:

1           **13. Sale.** "Sale" means any transfer, exchange or barter, in any manner or by any  
2 means whatsoever, for a consideration and includes leases and contracts payable by rental  
3 or license fees for the right of possession and use, but only when such leases and  
4 contracts are determined by the State Tax Assessor to be in lieu of purchase. "Sale"  
5 includes:

6           A. Any transfer of possession or control of property under a security agreement or  
7 deferred payment plan that requires the transfer of title upon completion of the  
8 required payments;

9           B. Any transfer of possession or control of property under an agreement that requires  
10 the transfer of title upon completion of required payments and payment of an option  
11 price that does not exceed the greater of \$100 and 1% of the total required payments;  
12 and

13           C. Agreements as defined in Section 7701(h)(1) of the Code covering motor vehicles  
14 and trailers when the amount of consideration may be increased or decreased by  
15 reference to the amount realized upon sale or disposition of the property.

16           **Sec. A-5. 36 MRSA §1752, sub-§14**, as amended by PL 2015, c. 494, Pt. A, §44,  
17 is further amended to read:

18           **14. Sale price.** "Sale price" means the total amount of a retail sale or of a lease or  
19 rental valued in money, whether received in money or otherwise.

20           A. "Sale price" includes:

21           (1) Any consideration for services that are a part of a retail sale; ~~and~~

22           (2) All receipts, cash, credits and property of any kind or nature and any amount  
23 for which credit is allowed by the seller to the purchaser, without any deduction  
24 on account of the cost of the property sold, the cost of the materials used, labor or  
25 service cost, interest paid, losses or any other expenses;

26           (3) In the case of the lease or rental for a period of less than one year of an  
27 automobile or of a pickup truck or van with a gross vehicle weight of less than  
28 26,000 pounds rented from a person primarily engaged in the business of renting  
29 automobiles, the value is the total rental charged to the lessee and includes, but is  
30 not limited to, maintenance and service contracts, drop-off or pick-up fees,  
31 airport surcharges, mileage fees and any separately itemized charges on the rental  
32 agreement to recover the owner's estimated costs of the charges imposed by  
33 government authority for title fees, inspection fees, local excise tax and agent  
34 fees on all vehicles in its rental fleet registered in the State. All fees must be  
35 disclosed when an estimated quote is provided to the lessee;

36           (4) In the case of the lease or rental of an automobile for one year or more, the  
37 value is the total monthly lease payment multiplied by the number of payments in  
38 the lease or rental, the amount of equity involved in any trade-in and the value of  
39 any cash down payment. Collection and remittance of the tax is the responsibility  
40 of the person that negotiates the lease transaction with the lessee; and

1                   (5) For all other lease or rental payments, the value is measured by the full  
2                   amount of that payment.

3           B. "Sale price" does not include:

4                   (1) Discounts allowed and taken on sales;

5                   (2) Allowances in cash or by credit made upon the return of merchandise  
6                   pursuant to warranty;

7                   (3) The price of property returned by customers, when the full price is refunded  
8                   either in cash or by credit;

9                   (4) The price received for labor or services used in installing or applying or  
10                  repairing the property sold, if separately charged or stated;

11                  (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically  
12                  stated service charge, when that amount is to be disbursed by a hotel, restaurant  
13                  or other eating establishment to its employees as wages;

14                  (6) The amount of any tax imposed by the United States on or with respect to  
15                  retail sales, whether imposed upon the retailer or the consumer, except any  
16                  manufacturers', importers', alcohol or tobacco excise tax;

17                  (7) The cost of transportation from the retailer's place of business or other point  
18                  from which shipment is made directly to the purchaser, provided that those  
19                  charges are separately stated and the transportation occurs by means of common  
20                  carrier, contract carrier or the United States mail;

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

25                  (9) Any amount charged for the disposal of used tires;

26                  (10) Any amount charged for a paper or plastic single-use carry-out bag; or

27                  (11) Any charge, deposit, fee or premium imposed by a law of this State.

28           **Sec. A-6. 36 MRSA §1752, sub-§17-B**, as amended by PL 2013, c. 156, §2, is  
29           further amended to read:

30           **17-B. Taxable service.** "Taxable service" means the rental of living quarters in a  
31           hotel, rooming house or tourist or trailer camp; the transmission and distribution of  
32           electricity; ~~the rental or lease of an automobile, a camper trailer, or a motor home, as~~  
33           ~~defined in Title 29-A, section 101, subsection 40; the rental or lease of a pickup truck or~~  
34           ~~van with a gross vehicle weight of less than 26,000 pounds from a person primarily~~  
35           ~~engaged in the business of renting automobiles;~~ the sale of an extended service contract  
36           on an automobile or truck that entitles the purchaser to specific benefits in the service of  
37           the automobile or truck for a specific duration; and the sale of prepaid calling service.

38           **Sec. A-7. 36 MRSA §1753**, as amended by PL 2011, c. 285, §2, is further  
39           amended to read:

1           **§1753. Tax is a levy on consumer**

2           The tax imposed by this Part is declared to be a levy on the consumer. The retailer  
3 shall add the amount of the tax to the sale price and may separately state the amount of  
4 the tax ~~separately from the sale price of tangible personal property or taxable services~~ on  
5 price display signs, sales or delivery slips, bills ~~and~~ or statements that advertise or  
6 indicate the sale price ~~of that property or those services~~. If the retailer does not separately  
7 state the amount of the tax ~~separately from the sale price of tangible personal property or~~  
8 ~~taxable services~~, the retailer shall include a statement on the sales slip or invoice  
9 presented to the purchaser or lessee that the stated price includes Maine sales tax.

10           **Sec. A-8. 36 MRSA §1754-B, sub-§1, ¶¶A, B and C**, as enacted by PL 1995,  
11 c. 640, §3, are amended to read:

12           A. Every ~~seller~~ person that makes sales of tangible personal property or taxable  
13 services, whether or not at retail, that maintains in this State any office,  
14 manufacturing facility, distribution facility, warehouse or storage facility, sales or  
15 sample room or other place of business;

16           B. Every ~~seller~~ person that makes sales of tangible personal property or taxable  
17 services that does not maintain a place of business in this State but makes retail sales  
18 in this State or solicits orders, by means of one or more salespeople within this State,  
19 for retail sales within this State;

20           C. Every ~~lessor~~ person engaged in the ~~leasing~~ lease or rental to another person of  
21 tangible personal property located in this State ~~that does not maintain a place of~~  
22 ~~business in this State but makes retail sales to purchasers from this State~~;

23           **Sec. A-9. 36 MRSA §1754-B, sub-§1, ¶G**, as amended by PL 2013, c. 200, §3,  
24 is further amended to read:

25           G. Every ~~seller~~ person that makes sales of tangible personal property or taxable  
26 services that has a substantial physical presence in this State sufficient to satisfy the  
27 requirements of the due process and commerce clauses of the United States  
28 Constitution.

29           **Sec. A-10. 36 MRSA §1754-B, sub-§1-A, ¶B**, as amended by PL 2013, c. 546,  
30 §10, is further amended to read:

31           B. A seller or lessor is presumed to be engaged in the business of selling tangible  
32 personal property or taxable services for use in this State or leasing tangible personal  
33 property in this State if an affiliated person has a substantial physical presence in this  
34 State or if any person, other than a person acting in its capacity as a common carrier,  
35 that has a substantial physical presence in this State:

36           (1) Sells or leases a similar line of products as the seller or lessor and does so  
37 under a business name that is the same as or similar to that of the seller or lessor;

38           (2) Maintains an office, distribution facility, warehouse or storage place or  
39 similar place of business in the State to facilitate the delivery of property or  
40 services sold or leased by the seller or lessor ~~to the seller's~~ its customers;

- 1 (3) Uses trademarks, service marks or trade names in the State that are the same  
2 as or substantially similar to those used by the seller or lessor;
- 3 (4) Delivers, installs, assembles or performs maintenance services for the ~~seller's~~  
4 customers of the seller or lessor within the State;
- 5 (5) Facilitates the ~~seller's~~ delivery of property to customers of the seller or lessor  
6 in the State by allowing ~~the seller's~~ customers to pick up property ~~sold by the~~  
7 ~~seller~~ at an office, distribution facility, warehouse, storage place or similar place  
8 of business maintained by the person in the State; or
- 9 (6) Conducts any activities in the State that are significantly associated with the  
10 ~~seller's~~ ability of the seller or lessor to establish and maintain a market in the  
11 State ~~for the seller's sales~~.

12 A seller or lessor who meets the requirements of this paragraph shall register with the  
13 assessor and collect and remit taxes in accordance with the provisions of this Part. A  
14 seller or lessor may rebut the presumption created in this paragraph by demonstrating  
15 that the person's activities in the State are not significantly associated with the ~~seller's~~  
16 ability of the seller or lessor to establish or maintain a market in this State ~~for the~~  
17 ~~seller's sales~~.

18 **Sec. A-11. 36 MRSA §1754-B, sub-§1-A, ¶C**, as enacted by PL 2013, c. 200,  
19 §4 and affected by §6, is amended to read:

20 C. A seller or lessor that does not otherwise meet the requirements of paragraph B is  
21 presumed to be engaged in the business of selling tangible personal property or  
22 taxable services for use in this State, or of leasing tangible personal property in this  
23 State, if ~~the seller~~ it enters into an agreement with a person under which the person,  
24 for a commission or other consideration, while within this State:

- 25 (1) Directly or indirectly refers potential customers, whether by a link on an  
26 Internet website, by telemarketing, by an in-person presentation or otherwise, to  
27 the seller or lessor; and
- 28 (2) The cumulative gross receipts from retail sales or leases made by the seller or  
29 lessor to customers in the State who are referred to the seller or lessor by all  
30 persons with this type of an agreement ~~with the seller~~ are in excess of \$10,000  
31 during the preceding 12 months.

32 A seller or lessor who meets the requirements of this paragraph shall register with the  
33 assessor and collect and remit taxes in accordance with the provisions of this Part.

34 A seller or lessor may rebut the presumption created in this paragraph by submitting  
35 proof that the person with whom the seller or lessor has an agreement did not engage  
36 in any activity within the State that was significantly associated with the ~~seller's~~  
37 ability of the seller or lessor to establish or maintain ~~the seller's~~ a market in the State  
38 during the preceding 12 months. Such proof may consist of sworn, written  
39 statements from all of the persons within this State with whom the seller or lessor has  
40 an agreement stating that they did not engage in any solicitation in the State on behalf  
41 of the seller or lessor during the preceding 12 months; these statements must be  
42 provided and obtained in good faith.

1 A person who enters into an agreement with a seller or lessor under this paragraph to  
2 refer customers by a link on an Internet website is not required to register or collect  
3 taxes under this Part solely because of the existence of the agreement.

4 **Sec. A-12. 36 MRSA §1754-B, sub-§2**, as amended by PL 2011, c. 535, §5, is  
5 further amended to read:

6 **2. Registration certificates.** Application forms for sales tax registration certificates  
7 must be prescribed and furnished free of charge by the assessor. The assessor shall issue  
8 a registration certificate to each applicant that properly completes and submits an  
9 application form. A separate application must be completed and a separate registration  
10 certificate issued for each place of business. A registration certificate issued pursuant to  
11 this section is nontransferable and is not a license within the meaning of that term in the  
12 Maine Administrative Procedure Act. Each application for a registration certificate must  
13 contain a statement as to the type or types of tangible personal property that the applicant  
14 intends to purchase for resale or for lease and the type or types of taxable services that the  
15 applicant intends to sell, ~~and each.~~ Each retailer registered under this section ~~must shall~~  
16 inform the assessor in writing of any changes to the type or types of tangible personal  
17 property that it purchases for resale or lease or to the type or types of taxable services that  
18 it sells.

19 If the retailer maintains a place of business in this State, the retailer shall make available a  
20 copy of the registration certificate issued for that place of business at that place of  
21 business for inspection by the assessor, the assessor's representatives and agents or  
22 authorized municipal officials. If ~~the a~~ retailer does not have a fixed place of business  
23 and makes sales from one or more motor vehicles, each motor vehicle is deemed to be a  
24 place of business.

25 **Sec. A-13. 36 MRSA §1754-B, sub-§2-A**, as enacted by PL 2003, c. 452, Pt. U,  
26 §3 and affected by Pt. X, §2, is amended to read:

27 **2-A. Making sales after revocation.** A person whose sales tax registration  
28 certificate has been revoked by the assessor pursuant to section 1757 who continues to  
29 make retail sales in this State or to lease tangible personal property in this State commits  
30 a Class D crime. Violation of this subsection is a strict liability crime as defined in Title  
31 17-A, section 34, subsection 4-A.

32 **Sec. A-14. 36 MRSA §1754-B, sub-§2-B**, as amended by PL 2005, c. 519, Pt.  
33 OOO, §1, is further amended to read:

34 **2-B. Provisional resale certificates; new accounts.** The assessor shall issue a  
35 provisional resale certificate to each applicant for initial registration that states on its  
36 application that it expects to ~~make have~~ annual gross sales receipts derived from sales or  
37 leases in this State of \$3,000 or more. A provisional resale certificate issued between  
38 January 1st and September 30th is effective for the duration of the calendar year in which  
39 it is issued and the 2 subsequent years. A provisional resale certificate issued between  
40 October 1st and December 31st is effective until the end of the 3rd succeeding calendar  
41 year. Each certificate must contain the name and address of the retailer, the expiration  
42 date of the certificate and the certificate number. If a vendor has a true copy of a retailer's

1 resale certificate on file, that retailer need not present the certificate for each subsequent  
2 transaction with that vendor during the period for which it is valid.

3 **Sec. A-15. 36 MRSA §1754-B, sub-§2-C**, as amended by PL 2013, c. 588, Pt.  
4 A, §45, is further amended to read:

5 **2-C. Issuance and renewal of resale certificates; contents; presentation to**  
6 **vendor.** On November 1st of each year, the assessor shall review the returns filed by  
7 each registered retailer ~~unless the retailer has a~~ whose resale certificate ~~expiring after~~  
8 expires on or before December 31st of that year. If the retailer reports \$3,000 or more in  
9 gross ~~sales~~ receipts during the 12 months preceding the assessor's review, the assessor  
10 shall issue to the registered retailer a resale certificate effective for 5 calendar years.  
11 Each certificate must contain the name and address of the retailer, the expiration date of  
12 the certificate and the certificate number. If a vendor has a true copy of a retailer's resale  
13 certificate on file, that retailer need not present the certificate for each subsequent  
14 transaction with that vendor during the period for which it is valid.

15 A registered retailer that fails to meet the \$3,000 threshold upon the annual review of the  
16 assessor is not entitled to renewal of its resale certificate except as provided in this  
17 subsection. When any such retailer shows that its gross ~~sales~~ receipts for a more current  
18 12-month period total \$3,000 or more or explains to the satisfaction of the assessor why  
19 temporary extraordinary circumstances caused its gross ~~sales~~ receipts for the period used  
20 for the assessor's annual review to be less than \$3,000, the assessor ~~shall~~, upon the written  
21 request of the retailer, shall issue to the retailer a resale certificate effective for the next 5  
22 calendar years.

23 **Sec. A-16. 36 MRSA §1754-B, sub-§3**, as amended by PL 2003, c. 452, Pt. U,  
24 §4 and affected by Pt. X, §2, is further amended to read:

25 **3. Failure to register.** A person who is required by this section to register as a  
26 retailer with the assessor and who makes retail sales in this State or leases tangible  
27 personal property in this State without being so registered commits a Class E crime.  
28 Violation of this subsection is a strict liability crime as defined in Title 17-A, section 34,  
29 subsection 4-A.

30 **Sec. A-17. 36 MRSA §1756**, as repealed and replaced by PL 1995, c. 640, §4, is  
31 amended to read:

32 **§1756. Voluntary registration**

33 Every seller or lessor of tangible personal property or taxable services that is not  
34 required by section 1754-B to register may register upon those terms that the assessor  
35 prescribes. Upon registration, the seller or lessor has the rights and duties of a person  
36 required to be registered and is subject to the same penalties, except that the seller's or  
37 lessor's liability may be limited to tax actually collected. The seller or lessor so registered  
38 may at any time surrender the seller's or lessor's registration certificate and request that  
39 the registration certificate be canceled. Upon receipt of the certificate and request, the  
40 assessor shall grant the cancellation, if it appears to the assessor that the seller or lessor  
41 has satisfied all liability to the State and ~~that the seller~~ is not required by law to register.

1 Upon surrender of the certificate, the seller or lessor must cease to collect sales or use  
2 taxes upon sales or leases that occur on and after the date of the surrender.

3 **Sec. A-18. 36 MRSA §1758**, as repealed and replaced by PL 1999, c. 708, §24, is  
4 repealed.

5 **Sec. A-19. 36 MRSA §1760, first ¶**, as amended by PL 1999, c. 521, Pt. A, §6, is  
6 further amended to read:

7 Subject to the provisions of section 1760-C, no tax ~~on sales, storage or use~~ may be  
8 collected upon or in connection with:

9 **Sec. A-20. 36 MRSA §1760, sub-§1** is amended to read:

10 **1. Exemptions by constitutional provisions.** Sales ~~which, leases or rentals~~ that this  
11 State is prohibited from taxing under the Constitution or laws of the United States or  
12 under the Constitution of this State.

13 **Sec. A-21. 36 MRSA §1760, sub-§2**, as amended by PL 2005, c. 622, §5, is  
14 further amended to read:

15 **2. Certain governmental entities.** Sales, leases or rentals to the State or any  
16 political subdivision of the State, or to the Federal Government, or to any unincorporated  
17 agency or instrumentality of either of them or to any incorporated agency or  
18 instrumentality of them wholly owned by them. This exemption does not apply to  
19 corporations organized under Title IV, Part E of the Farm Credit Act of 1971, 12 United  
20 States Code, Sections 2211 to 2214.

21 **Sec. A-22. 36 MRSA §1760, sub-§16**, as amended by PL 2015, c. 510, §1 and  
22 affected by §3, is further amended to read:

23 **16. Hospitals, research centers, churches and schools.** Sales, leases or rentals to:

24 A. Incorporated hospitals;

25 B. Incorporated nonprofit nursing homes licensed by the Department of Health and  
26 Human Services;

27 C. Incorporated nonprofit residential care facilities licensed by the Department of  
28 Health and Human Services;

29 D. Incorporated nonprofit assisted housing programs for the elderly licensed by the  
30 Department of Health and Human Services;

31 E. Incorporated nonprofit home health agencies certified under the United States  
32 Social Security Act of 1965, Title XVIII, as amended;

33 F. Incorporated nonprofit rural community health centers and incorporated nonprofit  
34 federally qualified health centers. For the purposes of this paragraph, "federally  
35 qualified health center" means a health center that is qualified to receive funding  
36 under Section 330 of the federal Public Health Service Act, 42 United States Code,

1 Section 254b and a so-called federally qualified health center look-alike that meets  
2 the requirements of Section 254b;

3 G. Incorporated nonprofit dental health centers;

4 G-1. Incorporated nonprofit medical clinics whose sole mission is to provide free  
5 medical care to the indigent or uninsured;

6 H. Incorporated nonprofit organizations organized for the sole purpose of conducting  
7 medical research;

8 I. Incorporated nonprofit organizations organized for the purpose of establishing and  
9 maintaining laboratories for scientific study and investigation in the field of biology  
10 or ecology;

11 J. Institutions incorporated as nonprofit corporations for the purpose of operating  
12 educational television or radio stations;

13 K. Schools;

14 L. Incorporated nonprofit organizations or their affiliates whose purpose is to  
15 provide literacy assistance or free clinical assistance to children with dyslexia; and

16 M. Regularly organized churches or houses of religious worship.

17 **Sec. A-23. 36 MRSA §1760, sub-§18-A**, as amended by PL 2015, c. 300, Pt. A,  
18 §15, is further amended to read:

19 **18-A. Certain residential child care facilities.** Sales, leases or rentals to  
20 incorporated private nonprofit residential child care facilities that are licensed by the  
21 Department of Health and Human Services as child care facilities.

22 **Sec. A-24. 36 MRSA §1760, sub-§26**, as amended by PL 2007, c. 419, §1, is  
23 further amended to read:

24 **26. Nonprofit fire departments and nonprofit ambulance services.** Sales, leases  
25 or rentals to incorporated nonprofit fire departments, ~~sales to~~ incorporated nonprofit  
26 ambulance services, ~~sales to~~ and air ambulance services that are limited liability  
27 companies all of whose members are nonprofit organizations and sales of tangible  
28 personal property leased to air ambulance services that are limited liability companies all  
29 of whose members are nonprofit organizations.

30 **Sec. A-25. 36 MRSA §1760, sub-§28**, as amended by PL 2011, c. 542, Pt. A,  
31 §135, is further amended to read:

32 **28. Community mental health facilities, community adult developmental**  
33 **services facilities and community substance abuse facilities.** Sales, leases or rentals to  
34 mental health facilities, adult developmental services facilities or substance abuse  
35 facilities that are:

36 A. Contractors under or receiving support under the Federal Community Mental  
37 Health Centers Act, or its successors; or

1 B. Receiving support from the Department of Health and Human Services pursuant  
2 to Title 5, section 20005 or Title 34-B, section 3604, 5433 or 6204.

3 **Sec. A-26. 36 MRSA §1760, sub-§33**, as repealed and replaced by PL 1977, c.  
4 238, is amended to read:

5 **33. Diabetic supplies.** ~~All~~ Sales of all equipment and supplies, whether medical or  
6 otherwise, used in the diagnosis or treatment of diabetes;

7 **Sec. A-27. 36 MRSA §1760, sub-§37**, as amended by PL 1987, c. 737, Pt. C,  
8 §§82 and 106 and PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further  
9 amended to read:

10 **37. Regional planning commissions and councils of government.** Sales, leases or  
11 rentals to regional planning commissions and councils of government, which are  
12 established in accordance with Title 30-A.

13 **Sec. A-28. 36 MRSA §1760, sub-§42**, as amended by PL 2001, c. 439, Pt. PPP,  
14 §1 and affected by §2, is repealed and the following enacted in its place:

15 **42. Historical societies, museums and certain memorial foundations.** Sales,  
16 leases or rentals to incorporated nonprofit:

17 A. Historical societies;

18 B. Museums; and

19 C. Memorial foundations that primarily provide cultural programs for free to the  
20 public.

21 **Sec. A-29. 36 MRSA §1760, sub-§43**, as amended by PL 2015, c. 300, Pt. A,  
22 §20, is further amended to read:

23 **43. Child care facilities.** Sales, leases or rentals to licensed, incorporated nonprofit  
24 child care facilities.

25 **Sec. A-30. 36 MRSA §1760, sub-§44**, as amended by PL 2015, c. 300, Pt. A,  
26 §21, is further amended to read:

27 **44. Certain church-affiliated residential homes.** Sales, leases or rentals to an  
28 incorporated, church-affiliated nonprofit organization that operates a residential home for  
29 adults.

30 **Sec. A-31. 36 MRSA §1760, sub-§46**, as repealed and replaced by PL 2003, c.  
31 451, Pt. AA, §1, is amended to read:

32 **46. Medical patients and their families.** Sales, leases or rentals to incorporated  
33 nonprofit organizations providing:

34 A. Temporary residential accommodations to pediatric patients suffering from  
35 critical illness or disease such as cancer or who are accident victims, to adult patients  
36 with cancer or to the families of the patients; or

1 B. Temporary residential accommodations, or food, or both, to hospital patients or to  
2 the families of hospital patients.

3 **Sec. A-32. 36 MRSA §1760, sub-§47-A**, as corrected by RR 1995, c. 2, §95, is  
4 amended to read:

5 **47-A. Emergency shelter and feeding organizations.** ~~Beginning October 1, 1996,~~  
6 ~~sales~~ Sales, leases or rentals to incorporated nonprofit organizations that provide free  
7 temporary emergency shelter or food for underprivileged individuals in this State;.

8 **Sec. A-33. 36 MRSA §1760, sub-§49**, as amended by PL 2009, c. 204, §12, is  
9 further amended to read:

10 **49. Child abuse and neglect prevention councils; child advocacy organizations;**  
11 **community action agencies.** Sales, leases or rentals to:

12 A. Incorporated, nonprofit child abuse and neglect prevention councils as defined in  
13 Title 22, section 3872, subsection 1-A;

14 B. Statewide organizations that advocate for children and that are members of the  
15 Medicaid Advisory Committee; and

16 C. Community action agencies designated in accordance with Title 22, section 5324.

17 **Sec. A-34. 36 MRSA §1760, sub-§50**, as amended by PL 2013, c. 420, §1, is  
18 further amended to read:

19 **50. Certain libraries.** Sales, leases or rentals to any nonprofit free public lending  
20 library that is funded in part or wholly by the State or any political subdivision or the  
21 federal government and sales by any such library or a nonprofit corporation organized to  
22 support that library as long as the proceeds from the sales are used to benefit the library.

23 **Sec. A-35. 36 MRSA §1760, sub-§51**, as repealed and replaced by PL 1985, c.  
24 737, Pt. A, §95, is amended to read:

25 **51. Veterans' Memorial Cemetery Associations.** Sales, leases or rentals to  
26 incorporated nonprofit Veterans' Memorial Cemetery Associations;.

27 **Sec. A-36. 36 MRSA §1760, sub-§52**, as enacted by PL 1985, c. 737, Pt. A, §96,  
28 is amended to read:

29 **52. Railroad track materials.** ~~Railroad~~ Sales of railroad track materials purchased  
30 and installed on railroad lines located within the boundaries of the State. ~~The track~~  
31 ~~materials shall include~~ As used in this subsection, "track materials" includes rail, ties,  
32 ballast, joint bars and associated materials, such as bolts, nuts, tie plates, spikes, culverts,  
33 steel, concrete or stone, switch stands, switch points, frogs, switch ties, bridge ties and  
34 bridge steel.

35 In order for a taxpayer to qualify for an exemption under this subsection, the taxpayer  
36 may not require any landowner to pay any fee or charge for maintenance or repair or to  
37 assume liability for crossings or rights-of-way if the landowner was not required to do so

1 prior to July 1, 1981, and the taxpayer must continue to maintain crossings and rights-of-  
2 way ~~which~~ that it was required to maintain on that date and may not remove the crossings  
3 if there is any objection to their being removed; ~~and~~.

4 **Sec. A-37. 36 MRSA §1760, sub-§53**, as enacted by PL 1985, c. 737, Pt. A, §97,  
5 is amended to read:

6 **53. Nonprofit volunteer search and rescue organizations.** Sales, leases or rentals  
7 to incorporated, nonprofit volunteer search and rescue organizations.

8 **Sec. A-38. 36 MRSA §1760, sub-§55**, as enacted by PL 1985, c. 788, §1, is  
9 amended to read:

10 **55. Incorporated nonprofit hospice organizations.** Sales, leases or rentals to  
11 incorporated nonprofit hospice organizations ~~which~~ that provide a program or care for the  
12 physical and emotional needs of terminally ill patients.

13 **Sec. A-39. 36 MRSA §1760, sub-§56**, as amended by PL 1989, c. 533, §7, is  
14 further amended to read:

15 **56. Nonprofit youth organizations.** Sales, leases or rentals to nonprofit youth  
16 organizations whose primary purpose is to provide athletic instruction in a nonresidential  
17 setting, or to councils and local units of incorporated nonprofit national scouting  
18 organizations;.

19 **Sec. A-40. 36 MRSA §1760, sub-§59**, as amended by PL 2009, c. 211, Pt. B,  
20 §31, is further amended to read:

21 **59. Certain incorporated nonprofit educational organizations.** ~~Incorporated~~  
22 Sales, leases or rentals to incorporated nonprofit educational organizations that are  
23 receiving, or have received, funding from the Department of Education and that provide  
24 educational programs specifically designed for teaching young people how to make  
25 decisions about drugs, alcohol and interpersonal relationships at a residential youth camp  
26 setting.

27 **Sec. A-41. 36 MRSA §1760, sub-§60**, as amended by PL 1997, c. 545, §1, is  
28 further amended to read:

29 **60. Incorporated nonprofit animal shelters.** Sales, leases or rentals to  
30 incorporated nonprofit animal shelters of tangible personal property used in the operation  
31 and maintenance of those shelters or in the maintenance and care of any animal, including  
32 wildlife, housed in those shelters.

33 **Sec. A-42. 36 MRSA §1760, sub-§62**, as amended by PL 2011, c. 240, §19, is  
34 further amended to read:

35 **62. Charitable suppliers of medical equipment.** Sales, leases or rentals to local  
36 branches of incorporated international nonprofit charitable organizations that lend  
37 medical supplies and equipment to persons free of charge.

1           **Sec. A-43. 36 MRSA §1760, sub-§63**, as enacted by PL 1989, c. 502, Pt. A,  
2 §130, is amended to read:

3           **63. Organizations fulfilling the wishes of children with life-threatening diseases.**  
4 Sales, leases or rentals to incorporated nonprofit organizations whose sole purpose is to  
5 fulfill the wishes of children with life-threatening diseases when their family or guardian  
6 is unable to otherwise financially fulfill those wishes.

7           **Sec. A-44. 36 MRSA §1760, sub-§65**, as amended by PL 1993, c. 670, §6, is  
8 further amended to read:

9           **65. Monasteries and convents.** Sales, leases or rentals of tangible personal property  
10 to incorporated nonprofit monasteries and convents for use in their operation and  
11 maintenance. For the purpose of this subsection, "monasteries" and "convents" ~~means~~  
12 mean the dwelling places of communities of religious persons.

13           **Sec. A-45. 36 MRSA §1760, sub-§66**, as enacted by PL 1989, c. 502, Pt. B, §47  
14 and c. 581, §20 and repealed and replaced by c. 871, §12, is amended to read:

15           **66. Incorporated nonprofit providers of certain support systems for single-**  
16 **parent families.** Sales, leases or rentals to incorporated nonprofit organizations engaged  
17 primarily in providing support systems for single-parent families for the development of  
18 psychological and economic self-sufficiency.

19           **Sec. A-46. 36 MRSA §1760, sub-§67**, as enacted by PL 1989, c. 501, Pt. P, §30  
20 and c. 533, §8 and repealed and replaced by c. 871, §13, is amended to read:

21           **67. Nonprofit home construction organizations.** Sales, leases or rentals to local  
22 branches of incorporated nonprofit organizations whose purpose is to construct low-cost  
23 housing for low-income people.

24           **Sec. A-47. 36 MRSA §1760, sub-§69**, as enacted by PL 1989, c. 533, §8, is  
25 amended to read:

26           **69. Vietnam veteran registries.** Sales, leases or rentals to incorporated, nonprofit  
27 organizations whose sole purpose is to create, maintain and update a registry of Vietnam  
28 veterans;

29           **Sec. A-48. 36 MRSA §1760, sub-§70**, as enacted by PL 1989, c. 533, §8 and  
30 amended by c. 871, §14, is further amended to read:

31           **70. Organizations providing certain services for hearing-impaired persons.**  
32 Sales, leases or rentals to incorporated nonprofit organizations whose primary purposes  
33 are to promote public understanding of hearing impairment and to assist hearing-impaired  
34 persons through the dissemination of information about hearing impairment to the general  
35 public and referral to and coordination of community resources available to hearing-  
36 impaired persons.

1           **Sec. A-49. 36 MRSA §1760, sub-§71**, as enacted by PL 1989, c. 533, §8, is  
2 amended to read:

3           **71. State-chartered credit unions.** Sales, leases or rentals to credit unions that are  
4 organized under the laws of this State. This subsection ~~shall remain~~ remains in effect  
5 only for the time that federally chartered credit unions are, by reason of federal law,  
6 exempt from payment of state sales tax.

7           **Sec. A-50. 36 MRSA §1760, sub-§72**, as amended by PL 1999, c. 708, §30, is  
8 further amended to read:

9           **72. Nonprofit housing development organization.** Sales, leases or rentals to  
10 nonprofit organizations whose primary purpose is to develop housing for low-income  
11 people.

12           **Sec. A-51. 36 MRSA §1760, sub-§77**, as enacted by PL 1993, c. 532, §1, is  
13 amended to read:

14           **77. Eye banks.** Sales, leases or rentals to nonprofit organizations whose primary  
15 purpose is to obtain, medically evaluate and distribute eyes for use in corneal  
16 transplantation, research and education.

17           **Sec. A-52. 36 MRSA §1760, sub-§81**, as enacted by PL 1999, c. 530, §10 and  
18 amended by PL 2011, c. 657, Pt. W, §6, is further amended to read:

19           **81. Animal waste storage facility.** ~~Any~~ Sales of any materials for the construction,  
20 repair or maintenance of an animal waste storage facility. For the purposes of this  
21 section, "animal waste storage facility" means a structure or pit constructed and used  
22 solely for storing manure, animal bedding waste or other wastes generated by animal  
23 production. For a facility to be eligible for this exemption, the Commissioner of  
24 Agriculture, Conservation and Forestry must certify that a nutrient management plan has  
25 been prepared in accordance with Title 7, section 4204 for the farm utilizing that animal  
26 waste storage facility.

27           **Sec. A-53. 36 MRSA §1760, sub-§84**, as enacted by PL 2001, c. 95, §6, is  
28 amended to read:

29           **84. Centers for innovation.** Sales, leases or rentals to centers for innovation as  
30 described in Title 5, section 13141.

31           **Sec. A-54. 36 MRSA §1760, sub-§§98 and 99**, as enacted by PL 2015, c. 267,  
32 Pt. OOOO, §4 and affected by §7, are amended to read:

33           **98. Certain veterans' support organizations.** Sales, leases or rentals to  
34 incorporated nonprofit organizations organized for the purpose of providing direct  
35 supportive services in the State to veterans and their families living with service-related  
36 post-traumatic stress disorder or traumatic brain injury.

37           **99. Nonprofit library collaboratives.** Sales, leases or rentals to nonprofit  
38 collaboratives of academic, public, school and special libraries that provide support for

1 library resource sharing, promote quality library information services and support the  
2 cultural, educational and economic development of the State.

3 **Sec. A-55. 36 MRSA §1760, sub-§100**, as enacted by PL 2015, c. 465, Pt. C, §1  
4 and affected by §2, is amended to read:

5 **100. Certain veterans' service organizations.** Sales, leases or rentals to an  
6 organization that provides services to veterans and their families that is chartered under  
7 36 United States Code, Subtitle II, Part B, including posts or local offices of that  
8 organization, and that is recognized as a veterans' service organization by the United  
9 States Department of Veterans Affairs.

10 **Sec. A-56. 36 MRSA §1811**, as amended by PL 2015, c. 267, Pt. OOOO, §5 and  
11 affected by §7 and amended by c. 300, Pt. A, §25, is repealed and the following enacted  
12 in its place:

13 **§1811. Sales tax**

14 A tax is imposed on the value of all tangible personal property and taxable services  
15 sold at retail in this State and on the lease or rental of tangible personal property in this  
16 State. The value of tangible personal property and taxable services sold at retail and the  
17 lease or rental of tangible personal property is measured by the sale price. The rate of tax  
18 is:

19 **1. Prepared food.** On the value of prepared food, 8%;

20 **2. Liquor sold in licensed establishments.** On the value of liquor sold in licensed  
21 establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title  
22 28-A, chapter 43, 8%;

23 **3. Rental of living quarters.** On the value of rental of living quarters in any hotel,  
24 rooming house or tourist or trailer camp, 9%;

25 **4. Motor vehicle rental.** On the value of rental for a period of less than one year of  
26 an automobile, of a pickup truck or van with a gross vehicle weight of less than 26,000  
27 pounds rented from a person primarily engaged in the business of renting automobiles or  
28 of a loaner vehicle that is provided other than to a motor vehicle dealer's service  
29 customers pursuant to a manufacturer's or dealer's warranty, 10%;

30 **5. Other personal property and certain services.** On the value of all other tangible  
31 personal property and taxable services, 5.5%; and

32 **6. Other leases and rentals.** On the value of all other leases and rentals, 5.5%.

33 The tax imposed upon the sale and distribution of gas, water or electricity by any  
34 public utility must be added to the rates for such sale and distribution as established by  
35 the Public Utilities Commission.

36 **Sec. A-57. 36 MRSA §1813**, as amended by PL 1991, c. 546, §24, is further  
37 amended to read:

1           **§1813. Illegal collection of sales tax prohibited**

2           Any retailer who knowingly charges or collects as the sales tax due on ~~the sale price~~  
3 ~~of any property or service~~ any retail sale or any lease or rental an amount in excess of that  
4 provided by section 1812 commits a Class E crime.

5           **Sec. A-58. 36 MRSA §1818** is enacted to read:

6           **§1818. Sourcing for leases and rentals**

7           **1. Sourcing.** The lease or rental of tangible personal property is sourced pursuant to  
8 this section.

9           A. For a lease or rental that requires recurring periodic payments, the first periodic  
10 payment is sourced to this State when the product is received in this State. Periodic  
11 payments made subsequent to the first payment are sourced in this State as long as  
12 the primary property location for the period covered by each payment is in this State.  
13 The primary property location is an address for the property provided by the lessee  
14 that is available to the lessor from its records maintained in the ordinary course of  
15 business, when use of this address does not constitute bad faith. The primary  
16 property location is not altered by intermittent use at different locations, such as use  
17 of business property that accompanies employees on business trips and service calls.

18           B. For a lease or rental that does not require recurring periodic payments, the  
19 payment is sourced in this State if the product is received in this State or the product  
20 is present in this State for more than 90 days during the term of the lease or rental.  
21 The location of property in this State at any time during a day is considered presence  
22 in this State for that entire day.

23           **2. Effect on certain leases or rentals and property for lease.** This section does not  
24 affect the imposition or computation of sales or use tax on leases or rentals based on a  
25 lump-sum or accelerated basis or on the acquisition of property for lease.

26           **3. Determination of timing of receipt.** For purposes of this section, leased tangible  
27 personal property is received in this State when the lessee takes possession of the  
28 property in this State.

29           **Sec. A-59. 36 MRSA §1861**, as amended by PL 1995, c. 640, §6, is further  
30 amended to read:

31           **§1861. Imposition**

32           A tax is imposed, at the ~~respective~~ rate provided in section 1811, on the storage, use,  
33 lease, rental or other consumption in this State of tangible personal property or a service,  
34 the sale, lease or rental of which would be subject to tax under section 1764 or 1811.  
35 Every person so storing, using or otherwise consuming making such a use is liable for the  
36 tax until the person has paid the tax or has taken a receipt from the ~~seller~~ retailer, as duly  
37 authorized by the assessor, showing that the ~~seller~~ retailer has collected the sales or use  
38 tax, in which case the ~~seller~~ retailer is liable for it. Retailers registered under section  
39 1754-B or 1756 shall collect the tax and make remittance to the assessor. The amount of

1 the tax payable by the purchaser is that provided in the case of sales taxes by section  
2 1812. When tangible personal property purchased for resale or lease is withdrawn from  
3 inventory by ~~the~~ a retailer for the retailer's own use, use tax liability accrues at the date of  
4 withdrawal.

5 **Sec. A-60. 36 MRSA §1951-A, sub-§1**, as amended by PL 2011, c. 285, §7, is  
6 further amended to read:

7 **1. Monthly report and payment.** Every retailer shall file with the State Tax  
8 Assessor, on or before the 15th day of each month, a return made under the penalties of  
9 perjury on a form prescribed by the assessor. The return must report the total sale price  
10 of all sales made, and the full amount of all lease or rental payments paid or required to  
11 be paid, during the preceding calendar month and such other information as the assessor  
12 requires. The assessor may permit the filing of returns other than monthly. The assessor,  
13 by rule, may waive reporting of nontaxable sales and leases. The assessor may for good  
14 cause extend for not more than 30 days the time for filing returns required under this Part.  
15 Every person subject to the use tax shall file similar returns, at similar dates, and pay the  
16 tax or furnish a receipt for the tax from a registered retailer.

17 **Sec. A-61. 36 MRSA §1952**, as amended by PL 2003, c. 390, §12, is further  
18 amended to read:

19 **§1952. Payment of tax**

20 The ~~taxes tax~~ imposed by ~~chapters 211 to 225~~ section 1811 on sales of tangible  
21 personal property and taxable services ~~are~~ is due and payable at the time of the sale. The  
22 tax imposed by section 1811 on the lease or rental of tangible personal property is due  
23 and payable at the time each payment under the lease or rental agreement is made or the  
24 time each payment is required to be made, whichever occurs first. The tax imposed by  
25 section 1861 is due and payable at the time the property or service is first used in this  
26 State. Upon such terms and conditions as the State Tax Assessor may prescribe, the  
27 assessor may permit a postponement of payment to a date not later than the date on which  
28 the sales, leases and rentals so taxed are required to be reported.

29 **Sec. A-62. 36 MRSA §2551, sub-§1**, as enacted by PL 2003, c. 673, Pt. V, §25  
30 and affected by §29, is repealed.

31 **Sec. A-63. 36 MRSA §2551, sub-§4**, as enacted by PL 2003, c. 673, Pt. V, §25  
32 and affected by §29, is repealed.

33 **Sec. A-64. 36 MRSA §2551, sub-§21**, as enacted by PL 2003, c. 673, Pt. V, §25  
34 and affected by §29, is repealed.

35 **Sec. A-65. 36 MRSA §2552, sub-§1, ¶¶C and D**, as enacted by PL 2003, c.  
36 673, Pt. V, §25 and affected by §29, are repealed.

37 **Sec. A-66. Application.** This Part applies to sales occurring, and lease or rental  
38 agreements executed, on or after January 1, 2018.

1 **PART B**

2 **Sec. B-1. 36 MRSA §1760, sub-§23-C**, as amended by PL 2015, c. 300, Pt. A,  
3 §§16 and 17, is further amended to read:

4 **23-C. Certain vehicles purchased or leased by nonresidents.** Sales or leases of  
5 the following vehicles to a person that is not a resident of this State, if the vehicle is  
6 intended to be driven or transported outside the State immediately upon delivery:

7 A. Motor vehicles other than those that are being leased for a period of less than one  
8 year;

9 B. Semitrailers;

10 C. Aircraft, if the property is an aircraft not exempted under subsection 88-A; and

11 E. Camper trailers, including truck campers, other than those that are being leased  
12 for a period of less than one year.

13 ~~If the vehicles are registered purchaser subsequently registers the vehicle or is required to~~  
14 ~~register the vehicle~~ for use in the State within 12 months of the date of purchase, the  
15 ~~person seeking registration purchaser~~ is liable for use tax on the basis of the original  
16 purchase price. Other subsequent use by the purchaser in the State of a vehicle other than  
17 an automobile is subject to use tax if the vehicle is present in the State for more than 90  
18 days during the 12 months following its purchase, excluding any days that the property is  
19 located in the State for storage, repair, alteration, refitting, reconstruction, overhaul or  
20 restoration. The location of property in the State at any time during a day is considered  
21 presence in the State for that entire day.

22 **Sec. B-2. 36 MRSA §1760, sub-§25**, as amended by PL 2015, c. 300, Pt. A, §18,  
23 is repealed.

24 **Sec. B-3. 36 MRSA §1760, sub-§25-D** is enacted to read:

25 **25-D. Watercraft purchased by nonresidents.** Sales of watercraft and materials to  
26 a nonresident as provided in this subsection.

27 A. Sales of watercraft and materials to be incorporated under contract in the  
28 construction of a watercraft or materials under contract for the repair, alteration,  
29 refitting, reconstruction, overhaul or restoration of a watercraft to a person that is not  
30 a resident of the State when the watercraft is present in the State not more than 90  
31 days, not including any time spent in the State for storage, during the 12 months  
32 following its purchase are exempt.

33 B. Sales of watercraft or materials to be incorporated under contract in the  
34 construction of a watercraft or materials under contract for the repair, alteration,  
35 refitting, reconstruction, overhaul or restoration of a watercraft to a person that is not  
36 a resident of the State when the watercraft is present in the State for more than 90  
37 days, for a purpose other than storage, during the 12 months following its purchase  
38 are eligible for an exemption of 60% of the sale price of the watercraft or materials.

1            C. For purposes of this subsection, the location of the watercraft in the State at any  
2            time during a day is considered presence in the State for that entire day.

3            **Sec. B-4. 36 MRSA §1760, sub-§45**, as amended by PL 2013, c. 331, Pt. C, §8,  
4 is further amended to read:

5            **45. Certain property purchased outside State.** Sales of property purchased and  
6 used by the present owner outside the State:

7            A. If the property is an automobile, as defined in Title 29-A, section 101, subsection  
8 7, and if the owner is an individual who was, at the time of purchase, a resident of the  
9 other state;

10          A-2. If the property is a snowmobile or all-terrain vehicle as defined in Title 12,  
11 section 13001 and the purchaser is an individual who is not a resident of the State;

12          A-3. If the property is an aircraft not exempted under subsection 88 or 88-A and the  
13 owner at the time of purchase was a resident of another state or tax jurisdiction and  
14 the aircraft is present in this State not more than 20 days during the 12 months  
15 following its purchase, exclusive of days during which the aircraft is in this State for  
16 the purpose of undergoing "major alterations," "major repairs" or "preventive  
17 maintenance" as those terms are described in 14 Code of Federal Regulations,  
18 Appendix A to Part 43, as in effect on January 1, 2005. For the purposes of this  
19 paragraph, the location of an aircraft on the ground in the State at any time during a  
20 day is considered presence in the State for that entire day, and a day must be  
21 disregarded if at any time during that day the aircraft is used to provide free  
22 emergency or compassionate air transportation arranged by an incorporated nonprofit  
23 organization providing free air transportation in private aircraft by volunteer pilots so  
24 children and adults may access life-saving medical care;

25          A-4. If the property is brought into this State solely to conduct activities directly  
26 related to a declared state disaster or emergency, at the request of the State, a county,  
27 city, town or political subdivision of the State or a registered business, the property is  
28 owned by a person not otherwise required to register as a seller under section 1754-B  
29 and the property is present in this State only during a disaster period. As used in this  
30 paragraph, "declared state disaster or emergency" has the same meaning as in Title  
31 10, section 9902, subsection 1 and "disaster period" means the period of 60 days that  
32 begins with the date of the Governor's proclamation of a state of emergency or the  
33 declaration by the President of the United States of a major disaster or major  
34 emergency, whichever occurs first; or

35          B. For more than 12 months in all other cases property other than that included in  
36 paragraphs A, A-2, A-3 and A-4, if the property is not required to be registered and is  
37 present in the State for no more than 90 days during the 12 months following its  
38 purchase, excluding any days that the property is located in the State for storage,  
39 repair, alteration, refitting, reconstruction, overhaul or restoration. The location of  
40 property in the State at any time during a day is considered presence in the State for  
41 that entire day.

42 ~~Property, other than automobiles, snowmobiles, all terrain vehicles and aircraft, that is~~  
43 ~~required to be registered for use in this State does not qualify for this exemption unless it~~

1 was registered by its present owner outside this State more than 12 months prior to its  
2 registration in this State. If property required to be registered for use in this State was not  
3 required to be registered for use outside this State, the owner must be able to document  
4 actual use of the property outside this State for more than 12 months prior to its  
5 registration in this State. For purposes of this subsection, "use" does not include storage  
6 but means actual use of the property for a purpose consistent with its design.

7 **Sec. B-5. 36 MRSA §1760, sub-§82**, as amended by PL 2007, c. 627, §49, is  
8 further amended to read:

9 **82. Sales of property delivered outside this State.** Sales of tangible personal  
10 property when the seller delivers the property to a location outside this State or to the  
11 United States Postal Service, a common carrier or a contract carrier hired by the seller for  
12 delivery to a location outside this State, regardless of whether the property is purchased  
13 F.O.B. shipping point or other point in this State and regardless of whether passage of  
14 title occurs in this State. ~~This exemption does not apply to any subsequent use of the~~  
15 ~~property in this State.~~ If the property is subsequently registered or required to be  
16 registered for use in this State within 12 months of the date of purchase, the purchaser is  
17 liable for use tax on the basis of the original purchase price. Subsequent use in this State  
18 of other property is subject to use tax if the property is present in this State for more than  
19 90 days during the 12 months following its purchase, excluding any days that the  
20 property is located in this State for storage, repair, alteration, refitting, reconstruction,  
21 overhaul or restoration. The location of property in this State at any time during a day is  
22 considered presence in the State for that entire day.

23 **Sec. B-6. Application.** This Part applies to sales occurring, and lease or rental  
24 agreements executed, on or after January 1, 2018.

## 25 PART C

26 **Sec. C-1. 36 MRSA §2015**, as enacted by PL 1993, c. 701, §8 and affected by  
27 §10, is amended to read:

### 28 **§2015. Rental vehicle excise tax reimbursement**

29 **1. Report.** ~~Annually, on or before September 1st~~ On or before March 1, 2018, a  
30 vehicle owner or rental company engaged in the business of renting automobiles for a  
31 period of less than one year, in order to claim an excise tax reimbursement, shall file a  
32 report with the State Tax Assessor. The report must include the information required by  
33 the State Tax Assessor to determine the taxpayer's excise tax reimbursement entitlement.  
34 ~~The State Tax Assessor may extend the September 1st filing deadline for a period not to~~  
35 ~~exceed one year for good cause.~~

36 **2. Reimbursement.** The State Tax Assessor shall determine the reimbursement to  
37 be paid to a taxpayer filing a return pursuant to subsection 1. The reimbursement is the  
38 amount that is the smaller of:

39 A. The amount determined by computing the total excise tax credit entitlement  
40 during the ~~most recently completed~~ period from July 1st 1, 2017 to ~~June 30th~~



1           Part B clarifies when owners of property that has been used outside of Maine are  
2 liable for a use tax when the property is brought into Maine. The bill updates several  
3 provisions, enacting a clear 90-day standard for use in Maine to give rise to a use tax  
4 liability. It applies to sales occurring, and lease or rental agreements executed, on or after  
5 January 1, 2018.

6           Part C terminates, as of December 31, 2017, the ability to claim an excise tax  
7 reimbursement for rental vehicles.