



Brad Farrin
Senator, District 3

131st MAINE SENATE

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Testimony of Sen. Bradlee Farrin

**In Support of
LD 2000, An Act to Change the Taxation of Rental Tangible Personal Property to Make it
Consistent with the Predominant Method in Other States' Rental Industry Laws for Sales
and Use Tax**

**Committee on Taxation
January 16, 2024**

Sen. Grohoski, Rep. Perry, and Members of the Committee on Taxation, my name is Sen. Brad Farrin. I represent Senate District 3, which includes towns in Kennebec, Penobscot, and Somerset counties. I am before you today in support of L.D. 2000, *An Act to Change the Taxation of Rental Tangible Personal Property to Make it Consistent with the Predominant Method in Other States' Rental Industry Laws for Sales and Use Tax*

LD 2000 is good tax policy. This bill makes our tax policy simpler, more modern, and consistent with national policy.

The bill simplifies and modernizes Maine tax policy by bringing retailers who rent and lease equipment under the same tax policy as those who sell equipment. It avoids double taxation for those who have already recently bought and paid taxes on equipment, by including a 3-year credit for any use taxes paid against sales taxes collected on inventory or rental equipment going forward.

The bill makes our tax policy nationally consistent by aligning with 48 other states, which will allow our regional and national businesses in the rental and leasing business to streamline their tax compliance procedures.

LD 2000 is a product of the good work of a number of stakeholders, who have been working on this bill for over a year. I also want to thank Maine Revenue Services for their support of this bill and assistance in the drafting of this legislation.

Plases support LD 2000. Thank you.