

Good morning, Sen. Grohoski, Rep. Perry and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara I am the Vice President of Advocacy for the Maine State Chamber of Commerce and a resident of Winthrop. I am here today to testify 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.

Under current law, the taxation of leased or rental personal property occurs when the property is brought into Maine and not when the property is leased to the consumer. This bill simply exempts property when it is brought into the state and allows the rental companies to collect the tax from the consumer. This method is consistent with 48 other states that allow rental companies to collect sales tax from the consumer. It simply places the sales tax burden on the economic activity itself, which is consistent with sales taxes in general. In addition, for companies that operate in many different states, having one method for these transactions provides simplicity across borders.

For these reasons, we urge the Committee to vote yes on L.D. 2000. I would be happy to answer any questions.