

Testimony of Peter Laurie, Milton Rents

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 Pete Laurie, Director of Rental Services for Milton Rents. I testify today in support of LD 2000.

Milton Rents is a full-service equipment rental company with a competitive fleet of earthmoving and aerial equipment and extensive selection of tooling in a variety of industries including general construction, landscaping, farming, paving, masonry, concrete construction, event production, and more.

Providing a sale for resale exemption to leasing and rental retailers would bring Maine in line with the rest of the country. Maine and Illinois are the only states that tax equipment purchased to be rented or leased, as business inputs, at the time of purchase, rather than at the time of the business activity. By Maine aligning with the other 48 states, this will allow our internal administrative procedures to be consistent and efficient across the region and the country.

LD 2000 modernizes Maine's tax code by moving the tax for rental and leased equipment to the point of economic activity. This allows a business to better and more fairly distribute the taxes for certain rental equipment.

Finally, this bill prevents businesses from paying taxes twice for equipment already purchased before the effective date of this legislation. It creates a 3-year look back to allow for a refund or a credit for equipment purchased during that period.

LD 2000 promotes good public policy by making Maine law simpler and more consistent nationally

Thank you for your consideration.