

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 839

H.P. 613

House of Representatives, February 14, 2019

An Act To Increase Funding for Multimodal Transportation

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative CLOUTIER of Lewiston.
Cosponsored by Senator CHIPMAN of Cumberland and
Representatives: DENK of Kennebunk, HANDY of Lewiston, HARNETT of Gardiner,
SKOLFIELD of Weld, SYLVESTER of Portland, TERRY of Gorham, TIPPING of Orono,
Senator: LIBBY of Androscoggin.

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

2 **Sec. 1. 36 MRSA §1811, first ¶**, as amended by PL 2017, c. 409, Pt. D, §2, is
3 further amended to read:

4 A tax is imposed on the value of all tangible personal property, products transferred
5 electronically and taxable services sold at retail in this State. ~~The rate of tax is 7% on the~~
6 ~~value of liquor sold in licensed establishments as defined in Title 28-A, section 2,~~
7 ~~subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of~~
8 ~~living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of~~
9 ~~rental for a period of less than one year of an automobile, of a pickup truck or van with a~~
10 ~~gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged~~
11 ~~in the business of renting automobiles or of a loaner vehicle that is provided other than to~~
12 ~~a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's~~
13 ~~warranty; 7% on the value of prepared food; and 5% on the value of all other tangible~~
14 ~~personal property and taxable services and products transferred electronically.~~
15 ~~Notwithstanding the other provisions of this section, from October 1, 2013 to December~~
16 ~~31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel,~~
17 ~~rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the~~
18 ~~value of liquor sold in licensed establishments as defined in Title 28-A, section 2,~~
19 ~~subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all~~
20 ~~other tangible personal property and taxable services and products transferred~~
21 ~~electronically. Notwithstanding the other provisions of this section, beginning~~ Beginning
22 January 1, 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel,
23 rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the
24 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
25 subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all
26 other tangible personal property and taxable services and products transferred
27 electronically, except that, beginning October 1, 2019, the rate of tax is 15% on the value
28 of rental for a period of less than one year of an automobile, of a pickup truck or van with
29 a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged
30 in the business of renting automobiles or of a loaner vehicle that is provided other than to
31 a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's
32 warranty. Notwithstanding the other provisions of this section, beginning on the first day
33 of the calendar month in which adult use marijuana and adult use marijuana products may
34 be sold in the State by a marijuana establishment licensed to conduct retail sales pursuant
35 to Title 28-B, chapter 1, the rate of tax is 10% on the value of adult use marijuana and
36 adult use marijuana products. Value is measured by the sale price, except as otherwise
37 provided. The value of rental for a period of less than one year of an automobile or of a
38 pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a
39 person primarily engaged in the business of renting automobiles is the total rental charged
40 to the lessee and includes, but is not limited to, maintenance and service contracts, drop-
41 off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges
42 on the rental agreement to recover the owner's estimated costs of the charges imposed by
43 government authority for title fees, inspection fees, local excise tax and agent fees on all
44 vehicles in its rental fleet registered in the State. All fees must be disclosed when an
45 estimated quote is provided to the lessee.

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SUMMARY

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This bill increases the sales tax on short-term rentals of automobiles, small trucks and vans from 10% to 15% to provide funding for multimodal transportation. The increase

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takes effect October 1, 2019.

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