

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Date: 6/17/25

(Filing No. S-431)

REPORT A**TAXATION**

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE**SENATE****132ND LEGISLATURE****FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 500, L.D. 1211, "An Act Regarding Certain Definitions in the Sales and Use Tax Laws Affecting Rental Equipment and Automobiles Used in Transporting Goods"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Certain Definitions in the Sales and Use Tax Laws Affecting Rental Equipment'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §2022, sub-§1, ¶B, as enacted by PL 2023, c. 643, Pt. H, §28 and affected by §29 and enacted by c. 673, §27 and affected by §28, is amended by repealing subparagraph (1) and enacting the following in its place:

(1) Upon the purchase of which a qualified lessor paid Maine sales or use tax:

(a) On or after January 1, 2023 and before January 1, 2025; or

(b) On or after January 1, 2022 and before January 1, 2025 and the lessor is engaged in a business that operates for 8 or fewer months of the taxable year; and

Sec. 2. 36 MRSA §2022, sub-§2, as enacted by PL 2023, c. 643, Pt. H, §28 and affected by §29 and enacted by c. 673, §27 and affected by §28, is amended to read:

2. Refund authorized. The State Tax Assessor shall refund the tax imposed pursuant to this Part and paid by a qualified lessor on the purchase of qualifying lease or rental property on or after January 1, 2023 and before January 1, 2025. The amount of the refund for qualifying lease or rental property is limited to the Maine sales or use tax collected and remitted to the State by the qualified lessor on qualifying lease or rental property on or after January 1, 2025 and before January 1, 2027. The amount of the refund for qualifying lease or rental property by qualified lessors engaged in a business that operates for 8 or fewer months per year is limited to the Maine sales or use tax collected and remitted to the State

ROS

1 by the qualified lessor on qualifying lease or rental property on or after January 1, 2025
2 and before January 1, 2028.

3 **Sec. 3. 36 MRSA §2022, sub-§3**, as enacted by PL 2023, c. 643, Pt. H, §28 and
4 affected by §29 and enacted by c. 673, §27 and affected by §28, is amended to read:

5 **3. Procedure and limitation.** A qualified lessor may request a refund on qualifying
6 lease or rental property by submitting a claim for refund on a form prescribed by the
7 assessor. In order to qualify for a refund under this section, a qualified lessor must file one
8 claim for all qualifying lease or rental property and must file the claim on or after January
9 1, 2027 and before March 31, 2027. For qualified lessors engaged in a business that
10 operates for 8 or fewer months per year, in order to qualify for a refund under this section,
11 the qualified lessor must file one claim for all qualifying lease or rental property and must
12 file the claim on or after January 1, 2027 and before March 31, 2027 or on or after January
13 1, 2028 and before March 31, 2028.'

14 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
15 number to read consecutively.

16 SUMMARY

17 This amendment removes from the bill the exception from sales and use tax for
18 automobiles that are used to transport goods or freight and changes the title of the bill. The
19 amendment extends the so-called look-back and look-forward for purposes of refunds of
20 sales and use tax from 2 years to 3 years for seasonal businesses operating for 8 or fewer
21 months per year.

22 FISCAL NOTE REQUIRED

23 (See attached)

**132nd MAINE LEGISLATURE****LD 1211****LR 1359(03)****An Act Regarding Certain Definitions in the Sales and Use Tax Laws Affecting Rental Equipment and Automobiles Used in Transporting Goods****Fiscal Note for Bill as Amended by Committee Amendment "A" (S-431)****Committee: Taxation****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$0	\$362,000	\$0
Revenue				
General Fund	\$0	\$0	(\$362,000)	\$0
Other Special Revenue Funds	\$0	\$0	(\$19,000)	\$0

Fiscal Detail and Notes

This bill would result in a one-time revenue decrease to the General Fund of \$362,000 in fiscal year 2027-28 by allowing businesses that operate eight or fewer months per year to apply for a refund of sales and use tax paid on qualifying lease or rental property purchased on or after January 1, 2022 and before January 1, 2025. The fiscal note assumes all additional refunds allowed as a result of this bill would be claimed in fiscal year 2027-28. The bill would also result in a one-time revenue decrease to the Local Government Fund of \$19,000 in fiscal year 2027-28.