

MAINE STATE LEGISLATURE

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ROFS

L.D. 1330

Date: 6/10/25 MINORITY

(Filing No. H-638)

TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 865, L.D. 1330, "An Act to Clarify That a Business's License or Subscription to Use Software Is Not Considered a Lease for the Purposes of Sales and Use Tax"

Amend the bill in section 1 in subsection 5-D in paragraph E in the first line (page 1, line 21 in L.D.) by striking out the following: "licenses" and inserting the following: 'limited ownership licenses, lifetime ownership licenses'

Amend the bill in section 2 in the first line (page 1, line 27 in L.D.) by striking out the following: "licenses" and inserting the following: 'limited ownership licenses, lifetime ownership licenses'

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

SUMMARY

This amendment includes limited ownership licenses and lifetime ownership licenses in those software licenses that are excluded from the definition of "lease" for purposes of the application of sales tax.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT

**132nd MAINE LEGISLATURE****LD 1330****LR 1733(02)**

An Act to Clarify That a Business's License or Subscription to Use Software Is Not Considered a Lease for the Purposes of Sales and Use Tax

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-638)

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	\$11,489,000	\$20,426,000	\$21,310,000	\$22,177,000
Revenue				
General Fund	(\$11,489,000)	(\$20,426,000)	(\$21,310,000)	(\$22,177,000)
Other Special Revenue Funds	(\$514,000)	(\$1,071,000)	(\$1,118,000)	(\$1,163,000)

Fiscal Detail and Notes

This bill would result in a revenue decrease to the General Fund of \$11,489,000 in fiscal year 2025-26 and \$20,426,000 in fiscal year 2026-27 by amending the definition of "lease or rental" to exclude leases, limited licenses, lifetime licenses, subscriptions or similar rights to use or access software when the lessee, licensee, subscriber or user is a business effective January 1, 2026. The bill would also result in a revenue decrease to the Local Government Fund of \$514,000 in fiscal year 2025-26 and \$1,071,000 in fiscal year 2026-27.