

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2019

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S.P. 741

In Senate, January 14, 1998

**An Act to Exempt the Lessee Who Purchases a Vehicle from Further  
Sales Tax on That Vehicle.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule  
203.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator ABROMSON of Cumberland.  
Cosponsored by Representative THOMPSON of Naples and  
Senators: AMERO of Cumberland, GOLDTHWAIT of Hancock, LAWRENCE of York,  
Representatives: DAVIDSON of Brunswick, ETNIER of Harpswell, TRUE of Fryeburg,  
VIGUE of Winslow, WINGLASS of Auburn.

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

4 **Sec. 1. 36 MRSA §1760, sub-§79 is enacted to read:**

6 79. Purchase of vehicle by lessee. The sale of a vehicle  
8 to a lessee of that same vehicle, but only if that lessee paid  
10 sales tax on that vehicle in accordance with section 1811. The  
12 exemption may not be more than the amount paid pursuant to  
14 section 1811.

12 **SUMMARY**

14 Current law requires sales tax to be paid on the value of  
16 the lease of a vehicle. If the lessee then purchases the  
18 vehicle, sales tax must be paid on the residual purchase price of  
20 the vehicle. However, prior to January 1, 1995, a lessee of a  
vehicle was required to pay sales tax on the full value of the  
vehicle at the time of lease and on the residual value of the  
vehicle at the time of purchase, resulting in double taxation.

22 This bill exempts from sales tax the purchase of a leased  
24 vehicle by the lessee of that vehicle, but only if the lessee  
paid the sales tax on the value of the lease, and only up to a  
maximum of the amount paid on the value of the lease.