

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 356

H.P. 252

House of Representatives, January 14, 1999

**An Act to Change the Sales Tax Treatment of Rentals of Audio
Equipment and Furniture.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative GAGNON of Waterville.
Cosponsored by Senator CAREY of Kennebec and
Representatives: CIANCHETTE of South Portland, COLWELL of Gardiner, COWGER of
Hallowell, Senators: DAGGETT of Kennebec, MILLS of Somerset.

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

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Sec. 1. 36 MRSA §1752, sub-§11, ¶B, as repealed and replaced by PL 1995, c. 281, §12 and affected by §42, is amended to read:

B. "Retail sale" does not include:

- (1) Any casual sale;
- (2) Any sale by a personal representative in the settlement of an estate, unless the sale is made through a retailer, or unless the sale is made in the continuation or operation of a business;
- (3) The sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented on a short-term basis;
- (4) The sale, to a person engaged in the business of renting audio or video tapes and audio or video equipment, of audio or video tapes or audio or video equipment for rental; ~~or~~
- (5) The sale, to a person engaged in the business of renting or leasing automobiles, of automobiles for rental or lease for one year or more; or
- (6) The sale, to a person engaged in the business of renting furniture, of furniture for rental.

Sec. 2. 36 MRSA §1752, sub-§17-A, ¶G, as amended by PL 1993, c. 701, §4, is further amended to read:

G. Rental of audio and video tapes and audio and video equipment; ~~and~~

Sec. 3. 36 MRSA §1752, sub-§17-A, ¶H, as amended by PL 1995, c. 281, §14 and affected by §42, is further amended to read:

H. Rental or lease of an automobile; and

Sec. 4. 36 MRSA §1752, sub-§17-A, ¶I is enacted to read:

I. Rental of furniture.

SUMMARY

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4 This bill changes the sales tax treatment of rentals of
audio equipment and furniture. Currently, the purchase of audio
6 equipment and furniture by rental businesses is subject to a
sales tax; the rental transaction is not subject to sales tax.
8 Under this bill, the rental transaction would be subject to sales
tax; the purchase by the rental business would not.