

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1645

H.P. 1154

House of Representatives, March 22, 2007

**An Act To Clarify That Certain Separately Itemized Charges Are
Subject to the Sales Tax on the Rental of Motor Vehicles**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MOORE of Standish.

Cosponsored by Representatives: CLARK of Millinocket, HOTHAM of Dixfield, Senator: SHERMAN of Aroostook.

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 2001, c. 439, Pt. TTTT, §2
3 and affected by §3, is further amended to read:

4 A tax is imposed on the value of all tangible personal property and taxable services
5 sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed
6 establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title
7 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house
8 or tourist or trailer camp; 10% on the value of rental for a period of less than one year of
9 an automobile; 7% on the value of prepared food; and 5% on the value of all other
10 tangible personal property and taxable services. Value is measured by the sale price,
11 except as otherwise provided. For purposes of this section, "value of rental for a period
12 of less than one year of an automobile" includes any separately itemized charge on the
13 rental agreement to recover the owner's estimated average daily cost per vehicle of the
14 charges imposed by governmental authority for title fees, registration fees, local excise
15 tax and agent fees on all vehicles in its rental fleet registered in the State.

16 **SUMMARY**

17 This bill clarifies that separately itemized charges to recover title fees, registration
18 fees, local excise tax and agent fees are subject to the sales tax on the rental of motor
19 vehicles.