

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 666

S.P. 240

In Senate, February 24, 2009

**An Act To Clarify When the Rental of a Car Is Exempt from Sales
and Use Tax**

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 PERRY of Penobscot.

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

2 **Sec. 1. 36 MRSA §1760, sub-§21-A**, as amended by PL 2007, c. 627, §47, is
3 further amended to read:

4 **21-A. Certain loaned vehicles.** The use of a ~~loaner~~ vehicle provided by a new
5 vehicle dealer, as defined in Title 29-A, section 851, subsection 9, for short-term use free
6 of charge to a service customer pursuant to a manufacturer's or dealer's warranty either
7 by supplying the vehicle directly to the service customer or by arranging for a 3rd-party
8 provider of rental vehicles to supply the vehicle to the service customer under a rental
9 agreement between the 3rd-party provider and the service customer.

10 **SUMMARY**

11 This bill clarifies that the sales tax exemption for the use of a vehicle provided by a
12 new vehicle dealer to a service customer on a short-term basis free of charge pursuant to a
13 warranty applies when the vehicle is provided either by the dealer directly or through a
14 3rd-party rental agreement.