

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 7

S.P. 22

In Senate, January 5, 2011

An Act Concerning Taxation of Automobile Manufacturers' Rebates

Reference to the Committee on Taxation suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator COURTNEY of York.

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

2 **Sec. 1. 36 MRSA §1752, sub-§14, ¶B,** as amended by PL 2009, c. 625, §4 and
3 affected by §§16 and 18 and c. 652, Pt. C, §8, is further amended to read:

4 B. "Sale price" does not include:

5 (1) Discounts allowed and taken on sales, including automobile manufacturers'
6 rebates when those rebates are assigned by the purchaser to the retailer;

7 (2) Allowances in cash or by credit made upon the return of merchandise
8 pursuant to warranty;

9 (3) The price of property returned by customers, when the full price is refunded
10 either in cash or by credit;

11 (4) The price received for labor or services used in installing or applying or
12 repairing the property sold, if separately charged or stated;

13 (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically
14 stated service charge, when that amount is to be disbursed by a hotel, restaurant
15 or other eating establishment to its employees as wages;

16 (6) The amount of any tax imposed by the United States on or with respect to
17 retail sales, whether imposed upon the retailer or the consumer, except any
18 manufacturers', importers', alcohol or tobacco excise tax;

19 (7) The cost of transportation from the retailer's place of business or other point
20 from which shipment is made directly to the purchaser, provided that those
21 charges are separately stated and the transportation occurs by means of common
22 carrier, contract carrier or the United States mail;

23 (8) The fee imposed by Title 10, section 1169, subsection 11;

24 (9) The fee imposed by section 4832, subsection 1;

25 (10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection
26 2-B;

27 (11) Any amount charged or collected by a person engaged in the rental of living
28 quarters as a forfeited room deposit or cancellation fee if the prospective
29 occupant of the living quarters cancels the reservation on or before the scheduled
30 date of arrival;

31 (12) The premium imposed on bulk motor vehicle oil and prepackaged motor
32 vehicle oil by Title 10, section 1020, subsection 6-A; or

33 (13) Any amount charged for the disposal of used tires.

34 **SUMMARY**

35 This bill provides that sales tax is not applied to automobile manufacturers' rebates
36 when those rebates are assigned by the purchaser to the retailer.