

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

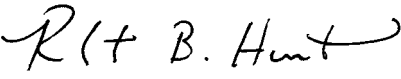
No. 1747

H.P. 1126

House of Representatives, April 20, 2023

An Act to Return the Sales Tax Rate to 5 Percent

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative ARATA of New Gloucester.
Cosponsored by Senator KEIM of Oxford and
Representatives: DUCHARME of Madison, FAULKINGHAM of Winter Harbor, LAVIGNE
of Berwick, Senator: STEWART of Aroostook.

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

2 **Sec. 1. 36 MRSA §1811, sub-§1, ¶D**, as amended by PL 2021, c. 578, §4; c. 658,
3 §286; and c. 669, §5, is further amended to read:

4 D. For sales occurring on or after October 1, 2019 but before October 1, 2023, the rate
5 of tax is 5.5% on the value of all tangible personal property and taxable services, except
6 the rate of tax is:

7 (1) Eight percent on the value of prepared food;

8 (2) Eight percent on the value of liquor sold in licensed establishments as defined
9 in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43,
10 and liquor sold for on-premises consumption by a licensed brewery, small brewery,
11 winery, small winery, distillery or small distillery pursuant to Title 28-A, section
12 1355-A, subsection 2, paragraph B;

13 (3) Nine percent on the value of rental of living quarters in any hotel, rooming
14 house or tourist or trailer camp;

15 (4) Ten percent on the value of rental for a period of less than one year of:

16 (a) An automobile;

17 (b) A truck or van with a gross vehicle weight of less than 26,000 pounds
18 rented from a person primarily engaged in the business of renting automobiles;
19 or

20 (c) A loaner vehicle that is provided other than to a motor vehicle dealer's
21 service customers pursuant to a manufacturer's or dealer's warranty; and

22 (5) Ten percent on the value of adult use cannabis, adult use cannabis products
23 and, if sold by a person to an individual who is not a qualifying patient, cannabis
24 and cannabis products beginning on the first day of the calendar month in which
25 adult use cannabis and adult use cannabis products may be sold in the State by a
26 cannabis establishment licensed to conduct retail sales pursuant to Title 28-B,
27 chapter 1.

28 **Sec. 2. 36 MRSA §1811, sub-§1, ¶E** is enacted to read:

29 E. For sales occurring on or after October 1, 2023 but before July 1, 2024, the rate of
30 tax is 5.25% on the value of all tangible personal property and taxable services, except
31 the rate of tax is:

32 (1) Eight percent on the value of prepared food;

33 (2) Eight percent on the value of liquor sold in licensed establishments as defined
34 in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43,
35 and liquor sold for on-premises consumption by a licensed brewery, small brewery,
36 winery, small winery, distillery or small distillery pursuant to Title 28-A, section
37 1355-A, subsection 2, paragraph B;

38 (3) Nine percent on the value of rental of living quarters in any hotel, rooming
39 house or tourist or trailer camp;

40 (4) Ten percent on the value of rental for a period of less than one year of:

- 1 (a) An automobile;
- 2 (b) A truck or van with a gross vehicle weight of less than 26,000 pounds
- 3 rented from a person primarily engaged in the business of renting automobiles;
- 4 or
- 5 (c) A loaner vehicle that is provided other than to a motor vehicle dealer's
- 6 service customers pursuant to a manufacturer's or dealer's warranty; and
- 7 (5) Ten percent on the value of adult use cannabis, adult use cannabis products and,
- 8 if sold by a person to an individual who is not a qualifying patient, cannabis and
- 9 cannabis products beginning on the first day of the calendar month in which adult
- 10 use cannabis and adult use cannabis products may be sold in the State by a cannabis
- 11 establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1.

12 **Sec. 3. 36 MRSA §1811, sub-§1, ¶F** is enacted to read:

13 F. For sales occurring on or after July 1, 2024, the rate of tax is 5% on the value of all

14 tangible personal property and taxable services, except the rate of tax is:

- 15 (1) Eight percent on the value of prepared food;
- 16 (2) Eight percent on the value of liquor sold in licensed establishments as defined
- 17 in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43,
- 18 and liquor sold for on-premises consumption by a licensed brewery, small brewery,
- 19 winery, small winery, distillery or small distillery pursuant to Title 28-A, section
- 20 1355-A, subsection 2, paragraph B;
- 21 (3) Nine percent on the value of rental of living quarters in any hotel, rooming
- 22 house or tourist or trailer camp;
- 23 (4) Ten percent on the value of rental for a period of less than one year of:
- 24 (a) An automobile;
- 25 (b) A truck or van with a gross vehicle weight of less than 26,000 pounds
- 26 rented from a person primarily engaged in the business of renting automobiles;
- 27 or
- 28 (c) A loaner vehicle that is provided other than to a motor vehicle dealer's
- 29 service customers pursuant to a manufacturer's or dealer's warranty; and
- 30 (5) Ten percent on the value of adult use cannabis, adult use cannabis products and,
- 31 if sold by a person to an individual who is not a qualifying patient, cannabis and
- 32 cannabis products beginning on the first day of the calendar month in which adult
- 33 use cannabis and adult use cannabis products may be sold in the State by a cannabis
- 34 establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1.

35 **SUMMARY**

36 This bill decreases the general sales tax rate from 5.5% to 5.25% beginning October 1,

37 2023 and to 5% beginning July 1, 2024. This bill does not change the rate of the sales tax

38 imposed on prepared food, lodging, rental vehicles, liquor or adult use cannabis.