

**§1758. Use tax on interim rental of property purchased for resale**

**1. Definition.** As used in this section, unless the context otherwise indicates, the term "rentals" includes any receipts derived from the use of property that is rented or leased.

[PL 1999, c. 708, §24 (NEW).]

**2. Generally; tax imposed on rental payments.** This section governs the taxation of tangible personal property that is purchased for resale in this State, other than at casual sale, and upon which no sales tax has been paid pursuant to chapters 211 to 225 when the property is rented or leased after purchase on an interim basis by the purchaser to another person prior to being sold. In lieu of the use tax otherwise imposed by section 1861, a tax is imposed at the same rate as that provided in the case of sales taxes by section 1811 upon all rentals received by the purchaser for the use of that property.

[PL 1999, c. 708, §24 (NEW).]

**3. Exceptions.** The purchaser is liable for a use tax on the property based on the purchase price less the aggregate amount of tax paid pursuant to this section on the rentals received by the purchaser in the following circumstances:

A. When the purchaser, after first renting tangible personal property purchased for resale, subsequently makes any use of that property other than as set forth in subsection 2; or [PL 1999, c. 708, §24 (NEW).]

B. When the purchaser rents the property for a period of 12 months or more to any one person. [PL 1999, c. 708, §24 (NEW).]

[PL 1999, c. 708, §24 (NEW).]

**4. Other sections applicable.** The tax on rentals imposed by this section is subject to section 1812 and all other pertinent provisions of this Part and for the purposes of this Part is treated the same as the sales tax imposed by section 1811 with the lessor deemed to be the retailer, the lease payments deemed to be the sale price and the lessee deemed to be the purchaser and consumer.

[PL 1999, c. 708, §24 (NEW).]

**SECTION HISTORY**

PL 1999, c. 708, §24 (RPR).

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