



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 1798

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H.P. 1279

House of Representatives, May 30, 2019

### An Act To Amend the Maine Tax Laws

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative TIPPING of Orono.

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

2 **PART A**

3 **Sec. A-1. 36 MRSA §192, sub-§2**, as enacted by PL 1981, c. 364, §19, is  
4 amended to read:

5 **2. Facsimile signature.** A facsimile of the written signature of the State Tax  
6 Assessor imprinted by or at ~~his~~ the State Tax Assessor's direction ~~upon any license,~~  
7 ~~registration certificate, notice of assessment or statutory demand notice issued by him~~  
8 ~~under authority of this Title shall have~~ has the same validity as ~~his~~ the State Tax  
9 Assessor's written signature.

10 **Sec. A-2. 36 MRSA §208**, as amended by PL 2017, c. 288, Pt. A, §36, is further  
11 amended to read:

12 **§208. Equalization**

13 The State Tax Assessor has the duty of equalizing the state and county taxes among  
14 the several towns and unorganized territory. The State Tax Assessor shall equalize and  
15 adjust the assessment list of each town, by adding to or deducting from it such amount as  
16 will make it equal to its just value as of April 1st. Notice of the proposed valuations of  
17 municipalities within each county must be sent annually ~~by certified mail~~ to the chair of  
18 the board of assessors, and chair of the board of selectmen in municipalities having  
19 selectmen, of each municipality within that county on or before the first day of October.  
20 The valuation so determined is subject to review by the State Board of Property Tax  
21 Review pursuant to subchapter 2-A, but the valuation finally certified to the Secretary of  
22 State pursuant to section 381 must be used for all computations required by law to be  
23 based upon the state valuation with respect to municipalities.

24 **Sec. A-3. 36 MRSA §209** is enacted to read:

25 **§209. Adjustment for audits; determination of the State Tax Assessor**

26 **1. Audits.** If the State Tax Assessor determines that value was improperly excluded  
27 from any of the 3 most recently certified state valuations, the State Tax Assessor shall  
28 recalculate the equalized just value of that municipality to reflect the requirements of  
29 section 305.

30 A municipality that is aggrieved by a determination of the State Tax Assessor under this  
31 section may appeal pursuant to section 272-A.

32 **2. Notifications.** If an adjustment is made to a municipality's equalized municipal  
33 valuation pursuant to this section, the State Tax Assessor, in writing, shall make the  
34 following notifications:

35 A. To the municipality, a decision, which must include the findings of fact upon  
36 which the decision is based. This written decision constitutes final agency action;

1           B. To the joint standing committee of the Legislature having jurisdiction over  
2           taxation matters, a copy of the decision from paragraph A; and

3           C. To the Commissioner of Education prior to December 1st, and to the Treasurer of  
4           State, any adjustment to state valuation determined under this section and the time  
5           period to which the adjustment applies.

6           **3. Effect of modified state valuation.** The following provisions apply to an  
7           adjustment to state valuation under this section.

8           A. The Commissioner of Education shall use the adjusted state valuation amount  
9           instead of the valuation certified under section 305 in calculating education funding  
10           obligations under Title 20-A, chapter 606-B for the following fiscal year.

11           B. The Treasurer of State shall use the adjusted state valuation amount instead of the  
12           valuation certified under section 305 in calculating distributions of state-municipal  
13           revenue sharing under Title 30-A, section 5681 for the following fiscal year.

14           **Sec. A-4. 36 MRSA §271, sub-§2, ¶A,** as amended by PL 2007, c. 466, Pt. A,  
15           §57, is further amended to read:

16           A. Hear and determine appeals according to the following provisions of law:

17                   (1) The tree growth tax law, chapter 105, subchapter 2-A;

18                   (2) The farm and open space law, chapter 105, subchapter 10;

19                   (3) As provided in section 843;

20                   (4) As provided in section 844;

21                   (5) Section 272;

22                   (6) Section 2865; ~~and~~

23                   (7) The current use valuation of certain working waterfront land law, chapter  
24                   105, subchapter 10-A; and

25                   (8) Section 209;

26           **Sec. A-5. 36 MRSA §272, sub-§1,** as amended by PL 1989, c. 619 and PL 1997,  
27           c. 526, §14, is further amended to read:

28           **1. Filing.** Any municipality aggrieved shall file a written notice of appeal ~~within 45~~  
29           ~~days of its receipt of notification of the decision of by November 15th, or, if November~~  
30           ~~15th is a Saturday, Sunday or holiday, the next business day after that November 15th, of~~  
31           ~~the year the determination is made by the Bureau of Revenue Services. The appeal to the~~  
32           ~~board shall~~ must be in writing signed by a majority of the municipal officers; and ~~shall~~  
33           ~~must~~ be accompanied by an affidavit stating the grounds for appeal. A copy of the appeal  
34           ~~and the affidavit shall~~ must be served on the Bureau of Revenue Services.

35           **Sec. A-6. 36 MRSA §272-A** is enacted to read:

1           **§272-A. Appeals of adjusted municipal valuation**

2           The State Board of Property Tax Review shall hear appeals by any municipality  
3 aggrieved by the Bureau of Revenue Services' determination of adjusted equalized  
4 valuation pursuant to section 209 and render its decision based upon the recorded  
5 evidence.

6           **1. Filing.** Any municipality aggrieved shall file a written notice of appeal within 45  
7 days of its receipt of notification of the decision of the Bureau of Revenue Services. The  
8 appeal to the board must be in writing and signed by a majority of the municipal officers  
9 and must be accompanied by an affidavit stating the grounds for appeal. A copy of the  
10 appeal and the affidavit must be served on the Bureau of Revenue Services.

11           **2. Hearing.** The board shall hear the appeal within a reasonable time of the filing of  
12 the appeal by the municipality and shall render its decision no later than November 15th  
13 following the date on which the appeal is taken. The board shall order notice of the  
14 hearing and give at least 5 days' notice prior to the hearing to the municipality and to the  
15 Bureau of Revenue Services.

16           **3. Determination.** The Bureau of Revenue Services has the burden of showing that  
17 its determination is reasonable and the municipality's claims are unreasonable. The board  
18 shall sustain the determination of the Bureau of Revenue Services only upon finding that  
19 the bureau's determination is reasonable and the claims of the municipality are  
20 unreasonable. If the board does not sustain the bureau's determination, it shall make its  
21 own reasonable determination giving due weight to the claims of the municipality and the  
22 Bureau of Revenue Services.

23           **4. Powers.** The board, after hearing, may raise, lower or sustain the adjusted state  
24 valuation as determined by the Bureau of Revenue Services with respect to the  
25 municipality that has filed the appeal. The board shall certify its decision to the Bureau  
26 of Revenue Services.

27           **5. Procedure following appeal.** The valuation determined on appeal must be  
28 certified to the Bureau of Revenue Services, which shall, if necessary, incorporate the  
29 decision in the valuation used pursuant to section 209. If an appeal to the Superior Court  
30 or Supreme Judicial Court results in a lowering of the municipality's state valuation, the  
31 Treasurer of State shall reimburse with funds appropriated from the General Fund an  
32 amount equal to money lost by the municipality due to the use by the State of an incorrect  
33 state valuation in any statutory formula used to distribute state funds to municipalities.

34           **Sec. A-7. 36 MRSA §555** is amended to read:

35           **§555. Tenants in common and joint tenants**

36           A tenant in common or a joint tenant may be considered sole owner for the purposes  
37 of taxation, unless he ~~the tenant~~ notifies the assessors what ~~his the tenant's~~ interest is; ~~but~~  
38 when a tax is assessed on lands owned or claimed to be owned in common, or in  
39 severalty, any person may furnish the tax collector in the property prior to the date of  
40 commitment of a tax and provides an accurate description of his ~~the tenant's~~ interest in

1 the land and pay his proportion of such tax; and thereafter his land or interest shall be free  
2 of all lien created by such tax property on a form provided by the State Tax Assessor.

3 **Sec. A-8. 36 MRSA §652, sub-§1, ¶A**, as amended by PL 2007, c. 627, §20, is  
4 further amended to read:

5 A. The real estate and personal property owned and occupied or used solely for their  
6 own purposes by incorporated benevolent and charitable institutions ~~incorporated by~~  
7 ~~this State~~ are exempt from taxation. Such an institution may not be deprived of the  
8 right of exemption by reason of the source from which its funds are derived or by  
9 reason of limitation in the classes of persons for whose benefit the funds are applied.

10 For the purposes of this paragraph, "benevolent and charitable institutions" includes,  
11 but is not limited to, nonprofit nursing homes licensed by the Department of Health  
12 and Human Services pursuant to Title 22, chapter 405, nonprofit residential care  
13 facilities licensed by the Department of Health and Human Services pursuant to Title  
14 22, chapter 1663, nonprofit community mental health service facilities licensed by the  
15 Commissioner of Health and Human Services pursuant to Title 34-B, chapter 3 and  
16 nonprofit child care centers incorporated ~~by this State~~ as benevolent and charitable  
17 institutions. For the purposes of this paragraph, "nonprofit" refers to an institution  
18 that has been determined by the United States Internal Revenue Service to be exempt  
19 from taxation under Section 501(c)(3) of the Code.

20 **Sec. A-9. 36 MRSA §654-A, sub-§1**, as enacted by PL 2013, c. 416, §2, is  
21 amended to read:

22 **1. Exemption.** The residential real estate up to the just value of \$4,000, having a  
23 taxable situs in the place of residence, of inhabitants of the State who are legally blind as  
24 determined by a properly licensed Doctor of Medicine, Doctor of Osteopathy or Doctor  
25 of Optometry is exempt from taxation.

26 **Sec. A-10. 36 MRSA §654-A, sub-§4**, as enacted by PL 2013, c. 416, §2, is  
27 repealed.

28 **Sec. A-11. 36 MRSA §691, sub-§1, ¶A**, as repealed and replaced by PL 2017, c.  
29 475, Pt. A, §61, is amended to read:

30 A. "Eligible business equipment" means qualified property that, in the absence of  
31 this subchapter, would first be subject to assessment under this Part on or after April  
32 1, 2008. "Eligible business equipment" includes, without limitation, repair parts,  
33 replacement parts, replacement equipment, additions, accessions and accessories to  
34 other qualified business property that first became subject to assessment under this  
35 Part before April 1, 2008 if the part, addition, equipment, accession or accessory  
36 would, in the absence of this subchapter, first be subject to assessment under this Part  
37 on or after April 1, 2008. "Eligible business equipment" also includes inventory  
38 parts. "Eligible business equipment" does not include property eligible for exemption  
39 under section 652.

40 "Eligible business equipment" does not include:

- 1 (1) Office furniture, including, without limitation, tables, chairs, desks,  
2 bookcases, filing cabinets and, modular office partitions, and photocopiers and  
3 postage machines;
- 4 (2) Lamps and lighting fixtures used primarily for the purpose of providing  
5 general purpose office or worker lighting;
- 6 (3) Property owned or used by an excluded person;
- 7 (4) Telecommunications personal property subject to the tax imposed by section  
8 457;
- 9 (5) Gambling machines or devices, including any device, machine, paraphernalia  
10 or equipment that is used or usable in the playing phases of any gambling activity  
11 as that term is defined in Title 8, section 1001, subsection 15, whether that  
12 activity consists of gambling between persons or gambling by a person involving  
13 the playing of a machine. "Gambling machines or devices" includes, without  
14 limitation:
  - 15 (a) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - 16 (b) Computer equipment used directly and primarily in the operation of a  
17 slot machine as defined in Title 8, section 1001, subsection 39;
  - 18 (c) An electronic video machine as defined in Title 17, section 1831,  
19 subsection 4;
  - 20 (d) Equipment used in the playing phases of lottery schemes; and
  - 21 (e) Repair and replacement parts of a gambling machine or device;
- 22 (6) Property located at a retail sales facility and used primarily in a retail sales  
23 activity unless the property is owned by a business that operates a retail sales  
24 facility in the State exceeding 100,000 square feet of interior customer selling  
25 space that is used primarily for retail sales and whose Maine-based operations  
26 derive less than 30% of their total annual revenue on a calendar year basis from  
27 sales that are made at a retail sales facility located in the State. For purposes of  
28 this subparagraph, the following terms have the following meanings:
  - 29 (a) "Primarily" means more than 50% of the time;
  - 30 (b) "Retail sales activity" means an activity associated with the selection and  
31 retail purchase of goods or rental of tangible personal property. "Retail sales  
32 activity" does not include production as defined in section 1752, subsection  
33 9-B; and
  - 34 (c) "Retail sales facility" means a structure used to serve customers who are  
35 physically present at the facility for the purpose of selection and retail  
36 purchase of goods or rental of tangible personal property. "Retail sales  
37 facility" does not include a separate structure that is used as a warehouse or  
38 call center facility;
- 39 (7) Property that is not entitled to an exemption by reason of the additional  
40 limitations imposed by subsection 2; or

1 (8) Personal property that would otherwise be entitled to exemption under this  
2 subchapter used primarily to support a telecommunications antenna used by a  
3 telecommunications business subject to the tax imposed by section 457.

4 **Sec. A-12. 36 MRSA §943-C, first ¶**, as enacted by PL 2017, c. 478, §3, is  
5 amended to read:

6 Notwithstanding any provision of law to the contrary, after the foreclosure process  
7 under sections 942 and 943 or sections 1281 and 1282 is completed and the right of  
8 redemption has expired, if a municipality chooses to sell to someone other than the  
9 immediate former owner or owners property that immediately prior to foreclosure  
10 received a property tax exemption as a homestead under subchapter 4-B, the municipal  
11 officers or their designee shall notify the immediate former owner or owners of the right  
12 to require the municipality to use the sale process under subsection 3 as long as the  
13 immediate former owner or owners demonstrate that the property meets the requirements  
14 of subsection 1. The notice must be sent by first-class mail to the last known address of  
15 the immediate former owner or owners. If the municipality agrees to sell the property  
16 back to the immediate former owner or owners, the alternative sale process under this  
17 section does not apply. If the sale to the immediate former owner or owners is not  
18 completed, the requirements of this section are reinstated.

19 **Sec. A-13. 36 MRSA §1114**, as enacted by PL 1975, c. 726, §2, is amended to  
20 read:

21 **§1114. Application**

22 ~~No person can apply for classification for more than an aggregate total of 15,000~~  
23 ~~acres under this subchapter. The classification of farmland or open space land hereunder~~  
24 ~~shall continue under this subchapter continues~~ until the municipal assessor, or State Tax  
25 Assessor in the unorganized territory, ~~determine~~ determines that the land no longer meets  
26 the requirements of such classification.

27 **Sec. A-14. 36 MRSA §1232**, as amended by PL 1983, c. 403, §2, is further  
28 amended to read:

29 **§1232. Proceedings on delinquency**

30 ~~Taxes levied under section 1602 shall be paid to the State Tax Assessor on or before~~  
31 ~~October 1st of each year. A lien is created on all personal property for such taxes levied~~  
32 ~~under section 1602 on the property and expenses incurred in accordance with section~~  
33 ~~1233, and such the property may be sold for the payment of such the taxes and expenses~~  
34 ~~at any time after October 1st. When the time for the payment of the tax to the State Tax~~  
35 ~~Assessor has expired, and it is unpaid, the State Tax Assessor shall give notice thereof to~~  
36 ~~the delinquent property owner, and unless such that tax shall be is paid within 60 days,~~  
37 ~~the State Tax Assessor may issue his a warrant to the sheriff of the county, requiring him~~  
38 ~~the sheriff to levy by distress and sale upon the personal property of said the property~~  
39 ~~owner, and the sheriff or his the sheriff's deputy shall execute such warrants the warrant.~~  
40 Any balance remaining after deducting taxes and necessary additions made in accordance  
41 with this subchapter shall must be returned to the owner or person in possession of ~~such~~

1 ~~the property of~~ the State Tax Assessor may certify ~~such~~ the unpaid taxes to the Attorney  
2 General, who shall bring a civil action in the name of the State.

3 In addition to the procedure authorized in ~~the preceding paragraph~~ this section, the  
4 State Tax Assessor may follow the procedure provided in section 612 and, with regard to  
5 that procedure, ~~shall be~~ is subject to the same rights and obligations as a municipality or  
6 municipal officers.

7 **Sec. A-15. 36 MRSA §1281**, as amended by PL 2017, c. 478, §4, is further  
8 amended to read:

9 **§1281. Payment of taxes; delinquent taxes; publication; certificate filed in registry**

10 ~~Taxes on real estate mentioned in section 1602, including supplementary taxes~~  
11 ~~assessed under section 1331, are delinquent on the 15th day of January next following the~~  
12 ~~date of assessment. Annually, on or before February 1st after January 15th but no later~~  
13 ~~than January 31st, the State Tax Assessor shall send by mail to the last known address of~~  
14 ~~each owner of such real estate subject to assessment under section 1602, including~~  
15 ~~supplementary taxes assessed under section 1331, upon which taxes remain unpaid a~~  
16 notice in writing, containing a description of the real estate assessed and the amount of  
17 unpaid taxes and interest, and alleging that a lien is claimed on that real estate for  
18 payment of those taxes, interests and costs, with a demand that payment be made by the  
19 next February 21st. For property that constitutes a homestead for which a property tax  
20 exemption is claimed under chapter 105, subchapter 4-B, the State Tax Assessor shall  
21 include in the written notice written notice to the owner named on the tax lien mortgage  
22 that that owner may be eligible to file an application for tax abatement under section 841,  
23 subsection 2, indicating that the State Tax Assessor, upon request, will assist the owner in  
24 requesting an abatement and provide information regarding the procedures for making  
25 such a request. The notice must also indicate that the owner may seek assistance from the  
26 Department of Professional and Financial Regulation, Bureau of Consumer Credit  
27 Protection regarding options for finding an advisor who can help the owner work with the  
28 State Tax Assessor to avoid tax lien foreclosure and provide information regarding ways  
29 to contact the bureau. The Department of Professional and Financial Regulation, Bureau  
30 of Consumer Credit Protection, by July 15th annually, shall provide to a statewide  
31 organization representing municipalities and to the State Tax Assessor information  
32 regarding assistance in avoiding tax lien foreclosure to assist municipalities and the State  
33 Tax Assessor in providing the information required in the notice. If the owners of any  
34 such real estate are unknown, instead of sending the notices by mail, the assessor shall  
35 cause the information required in this section on that real estate to be advertised in the  
36 state paper and in a newspaper, if any, of general circulation in the county in which the  
37 real estate lies. Such a statement or advertisement is sufficient legal notice of delinquent  
38 taxes. If those taxes and interest to date of payment and costs are not paid by February  
39 21st, the State Tax Assessor shall record by March 15th, in the registry of deeds of the  
40 county or registry district where the real estate lies, a certificate signed by the assessor,  
41 setting forth the name or names of the owners according to the last state valuation, or the  
42 valuation established in accordance with section 1331; the description of the real estate  
43 assessed as contained in the last state valuation, or the valuation established in accordance  
44 with section 1331; the amount of unpaid taxes and interest; the amount of costs; and a



1 statement that demand for payment of those taxes has been made, and that those taxes,  
2 interest and costs remain unpaid. The costs charged by the register of deeds for the filing  
3 may not exceed the fees established by Title 33, section 751.

4 **Sec. A-16. 36 MRSA §1481, sub-§1, ¶B**, as enacted by PL 1981, c. 275, is  
5 repealed.

6 **Sec. A-17. 36 MRSA §1481, sub-§1-A, ¶A**, as repealed and replaced by PL  
7 1975, c. 252, §16, is amended to read:

8 A. A trailer or semitrailer ~~of less than 32 feet in length~~ primarily designed and  
9 constructed to provide temporary living quarters for recreational, camping, travel or  
10 other use.

11 **Sec. A-18. 36 MRSA §1482, sub-§3**, as amended by PL 2011, c. 240, §12, is  
12 further amended to read:

13 **3. Tax paid for previous registration year.** If an excise tax was paid in accordance  
14 with this section for the previous registration year by the same person on the same  
15 vehicle, the excise tax for the new registration year must be assessed as if the vehicle was  
16 in its next year of model.

17 **Sec. A-19. 36 MRSA §1482, sub-§5**, as amended by PL 2015, c. 87, §1, is  
18 further amended to read:

19 **5. Credits.** An owner or lessee who has paid the excise tax in accordance with this  
20 section or the property tax for a vehicle is entitled to a credit up to the maximum amount  
21 of the tax previously paid in that registration year for any one vehicle toward the tax for  
22 any number of vehicles, regardless of the number of transfers that may be required of the  
23 owner or lessee in that registration year. The credit is available only if the vehicle's  
24 ownership is transferred, the vehicle is totally lost by fire, theft or accident, the vehicle is  
25 totally junked or abandoned, the use of the vehicle is totally discontinued or, in the case  
26 of a leased vehicle, the registration is transferred.

27 A. The credit must be given in any place in which the excise tax is payable.

28 B. For each transfer made in the same registration year, the owner shall pay \$3 to the  
29 place in which the excise tax is payable.

30 C. During the last 4 months of the registration year, the credit may not exceed 1/2 of  
31 the maximum amount of the tax previously paid in that registration year for any one  
32 vehicle.

33 D. If the credit available under this subsection exceeds the amount transferred to  
34 another vehicle, a municipality may choose, but is not required to refund the excess  
35 amount. If a municipality chooses to refund excess amounts it must do so in all  
36 instances where there is an excess amount.

37 E. For the purposes of this subsection, "owner" includes the surviving spouse of the  
38 owner.

1 G. For the purposes of this subsection, "totally discontinued" means that the owner  
2 has permanently discontinued all use of the vehicle except for selling, transferring  
3 ownership of, junking or abandoning that vehicle. The owner of the vehicle must  
4 provide a signed statement attesting that use of the vehicle from which the credit is  
5 being transferred is totally discontinued. If the owner who has totally discontinued  
6 use of a vehicle later seeks to register that vehicle, no excise tax credits may be  
7 applied with respect to the registration of that vehicle or any subsequent transfer of  
8 that vehicle's registration.

9 **Sec. A-20. 36 MRSA §1602, sub-§5** is enacted to read:

10 **5. Due dates; interest.** Taxes levied under this section must be paid to the State Tax  
11 Assessor on or before October 1st of each year. A person who fails to pay the tax on or  
12 before October 1st is liable for interest on the tax pursuant to section 186, except that the  
13 rate of interest beginning on October 1, 2019 equals the maximum rate posted on the  
14 Treasurer of State's publicly accessible website according to section 505, subsection 4.

15 **Sec. A-21. 36 MRSA §4641, sub-§3**, as amended by PL 2001, c. 559, Pt. I, §2  
16 and affected by §15, is further amended to read:

17 **3. Value.** "Value" means the amount of the actual consideration for real property,  
18 except that in the case of a gift, or a contract or deed with nominal consideration or  
19 without stated consideration, or in the case of the transfer of a controlling interest in an  
20 entity with a fee interest in real property when the consideration for the real property  
21 cannot be determined, "value" is to be based on the estimated price a property will bring  
22 in the open market and under prevailing market conditions in a sale between a willing  
23 seller and a willing buyer, both conversant with the property and with prevailing general  
24 price levels. For the purposes of this subsection, "nominal" means less than 20% of the  
25 property's most recently locally assessed value as adjusted by the municipality's or  
26 unorganized territory's certified assessment ratio, unless the taxpayer provides an  
27 attestation from the local assessor that the most recent locally assessed value does not  
28 reflect current market value.

29 "Value" does not include the amount of consideration attributable to vacation exchange  
30 rights, vacation services or club memberships or the costs associated with those rights,  
31 services or memberships. Upon request of a municipal assessor or the State Tax  
32 Assessor, a developer of a time-share estate, as defined in Title 33, section 591,  
33 subsection 7, or an association of time-share estate owners shall provide an itemized  
34 schedule of fees included in the sales price of a time-share estate.

35 **Sec. A-22. Application.** Those sections of this Part that amend the Maine Revised  
36 Statutes, Title 36, section 555, section 654-A, subsection 1 and section 691, subsection 1,  
37 paragraph A and that repeal Title 36, section 654-A, subsection 4 apply to property tax  
38 years beginning on or after April 1, 2020. Those sections of this Part that amend Title 36,  
39 section 1481, subsection 1-A, paragraph A and section 1482, subsection 3 and subsection  
40 5 and that repeal Title 36, section 1481, subsection 1, paragraph B apply to registration  
41 years beginning on or after January 1, 2019.

1 **PART B**

2 **Sec. B-1. 23 MRSA §4210-B, sub-§7-A**, as amended by PL 2017, c. 375, Pt. E,  
3 §1, is further amended to read:

4 **7-A. Sales tax revenue.** Beginning July 1, 2012 and every July 1st thereafter, the  
5 State Controller shall transfer to the Multimodal Transportation Fund an amount, as  
6 certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax  
7 imposed on the value of rental of a pickup truck or van with a gross weight of less than  
8 26,000 pounds rented from a person primarily engaged in the business of renting  
9 automobiles and the value of rental for a period of less than one year of an automobile  
10 pursuant to Title 36, section 1811 for the first 6 months of the prior fiscal year after the  
11 reduction for the transfer to the Local Government Fund as described by Title 30-A,  
12 section 5681, subsection 5. Beginning on October 1, 2012 and every October 1st  
13 thereafter, the State Controller shall transfer to the Multimodal Transportation Fund an  
14 amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue  
15 from the tax imposed on the value of rental of a pickup truck or van with a gross weight  
16 of less than 26,000 pounds rented from a person primarily engaged in the business of  
17 renting automobiles and the value of rental for a period of less than one year of an  
18 automobile pursuant to Title 36, section 1811 for the last 6 months of the prior fiscal year  
19 after the reduction for the transfer to the Local Government Fund as described by Title  
20 30-A, section 5681, subsection 5. The tax amount must be based on actual sales for that  
21 fiscal year and may not consider any accruals that may be required by law.

22 **Sec. B-2. 36 MRSA §191, sub-§2, ¶EE**, as amended by PL 2007, c. 438, §10, is  
23 further amended to read:

24 EE. The disclosure by the State Tax Assessor of the fact that a person has or has not  
25 been issued a certificate of exemption pursuant to section 1760, 2013 or 2557, a  
26 ~~provisional~~ resale certificate pursuant to section 1754-B, subsection 2-B or a resale  
27 ~~certificate pursuant to section 1754-B, subsection 2-C;~~

28 **Sec. B-3. 36 MRSA §1752, sub-§7-F** is enacted to read:

29 **7-F. Oxygen delivery equipment.** "Oxygen delivery equipment" means oxygen  
30 concentrators, regulators, compressors, humidifiers, masks and cannulas.

31 **Sec. B-4. 36 MRSA §1752, sub-§10**, as repealed and replaced by PL 1997, c.  
32 393, Pt. A, §41, is amended to read:

33 **10. Retailer.** "Retailer" means a person who makes retail sales or who is required to  
34 register by section ~~1754-A or~~ 1754-B or who is registered under section 1756.

35 **Sec. B-5. 36 MRSA §1752, sub-§11, ¶A**, as amended by PL 2007, c. 437, §10,  
36 is further amended to read:

37 A. "Retail sale" includes:

1 (1) Conditional sales, installment lease sales and any other transfer of tangible  
2 personal property when the title is retained as security for the payment of the  
3 purchase price and is intended to be transferred later;

4 ~~(2) Sale of products for internal human consumption to a person for resale~~  
5 ~~through vending machines when sold to a person more than 50% of whose gross~~  
6 ~~receipts from the retail sale of tangible personal property are derived from sales~~  
7 ~~through vending machines. The tax must be paid by the retailer to the State;~~

8 (3) A sale in the ordinary course of business by a retailer to a purchaser who is  
9 not engaged in selling that kind of tangible personal property or taxable service in  
10 the ordinary course of repeated and successive transactions of like character; and

11 (4) The sale or liquidation of a business or the sale of substantially all of the  
12 assets of a business, to the extent that the seller purchased the assets of the  
13 business for resale, lease or rental in the ordinary course of business, except  
14 when:

15 (a) The sale is to an affiliated entity and the transferee, or ultimate transferee  
16 in a series of transactions among affiliated entities, purchases the assets for  
17 resale, lease or rental in the ordinary course of business; or

18 (b) The sale is to a person that purchases the assets for resale, lease or rental  
19 in the ordinary course of business or that purchases the assets for transfer to  
20 an affiliate, directly or through a series of transactions among affiliated  
21 entities, for resale, lease or rental by the affiliate in the ordinary course of  
22 business.

23 For purposes of this subparagraph, "affiliate" or "affiliated" includes both direct  
24 and indirect affiliates.

25 **Sec. B-6. 36 MRSA §1752, sub-§11, ¶B**, as amended by PL 2015, c. 390, §5, is  
26 further amended to read:

27 B. "Retail sale" does not include:

28 (1) Any casual sale;

29 (2) Any sale by a personal representative in the settlement of an estate unless the  
30 sale is made through a retailer or the sale is made in the continuation or operation  
31 of a business;

32 (3) The sale, to a person engaged in the business of renting automobiles, of  
33 automobiles, integral parts of automobiles or accessories to automobiles, for  
34 rental or for use in an automobile rented for a period of less than one year. For  
35 the purposes of this subparagraph, "automobile" includes a pickup truck or van  
36 with a gross vehicle weight of less than 26,000 pounds;

37 (4) The sale, to a person engaged in the business of renting video media and  
38 video equipment, of video media or video equipment for rental;

39 (5) The sale, to a person engaged in the business of renting or leasing  
40 automobiles, of automobiles for rental or lease for one year or more;

- 1 (6) The sale, to a person engaged in the business of providing cable or satellite  
2 television services or satellite radio services, of associated equipment for rental or  
3 lease to subscribers in conjunction with a sale of cable or satellite television  
4 services or satellite radio services;
- 5 (7) The sale, to a person engaged in the business of renting furniture or audio  
6 media and audio equipment, of furniture, audio media or audio equipment for  
7 rental pursuant to a rental-purchase agreement as defined in Title 9-A, section  
8 11-105;
- 9 (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant  
10 to Title 29-A, section 953;
- 11 (9) The sale of automobile repair parts used in the performance of repair services  
12 on an automobile pursuant to an extended service contract sold on or after  
13 September 20, 2007 that entitles the purchaser to specific benefits in the service  
14 of the automobile for a specific duration;
- 15 (10) The sale, to a retailer that has been issued a resale certificate pursuant to  
16 section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in  
17 the form of tangible personal property, except resale as a casual sale;
- 18 (11) The sale, to a retailer that has been issued a resale certificate pursuant to  
19 section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except  
20 resale as a casual sale;
- 21 (12) The sale, to a retailer that is not required to register under section 1754-B,  
22 of tangible personal property for resale outside the State in the form of tangible  
23 personal property, except resale as a casual sale;
- 24 (13) The sale, to a retailer that is not required to register under section 1754-B,  
25 of a taxable service for resale outside the State, except resale as a casual sale;
- 26 (14) The sale of repair parts used in the performance of repair services on  
27 telecommunications equipment as defined in section 2551, subsection 19  
28 pursuant to an extended service contract that entitles the purchaser to specific  
29 benefits in the service of the telecommunications equipment for a specific  
30 duration;
- 31 (15) The sale of positive airway pressure equipment and supplies for rental for  
32 personal use to a person engaged in the business of renting positive airway  
33 pressure equipment;
- 34 (16) The sale, to a person engaged in the business of renting or leasing motor  
35 homes, as defined in Title 29-A, section 101, subsection 40, or camper trailers, of  
36 motor homes or camper trailers for rental as tangible personal property but not as  
37 the rental of living quarters; or
- 38 (17) The sale of truck repair parts used in the performance of repair services on a  
39 truck pursuant to an extended service contract that entitles the purchaser to  
40 specific benefits in the service of the truck for a specific duration.

41 **Sec. B-7. 36 MRSA §1752, sub-§14, ¶A**, as amended by PL 2017, c. 375, Pt. A,  
42 §2, is further amended to read:

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A. "Sale price" includes:

- (1) Any consideration for services that are a part of a retail sale;
- (2) All receipts, cash, credits and property of any kind or nature and any amount for which credit is allowed by the seller to the purchaser, without any deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses or any other expenses; ~~and~~
- (3) All consideration received for the rental of living quarters in this State, including any service charge or other charge or amount required to be paid as a condition for occupancy, valued in money, whether received in money or otherwise and whether received by the owner, occupant, manager or operator of the living quarters, by a room remarketer, by a person that operates a transient rental platform or by another person on behalf of any of those persons-;
- (4) In the case of the lease or rental for a period of less than one year of an automobile or of a truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles, the value is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee; and
- (5) In the case of the lease or rental of an automobile for one year or more, the value is the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment. Collection and remittance of the tax is the responsibility of the person that negotiates the lease transaction with the lessee.

**Sec. B-8. 36 MRSA §1752, sub-§17-B**, as amended by PL 2013, c. 156, §2, is further amended to read:

**17-B. Taxable service.** "Taxable service" means the rental of living quarters in a hotel, rooming house or tourist or trailer camp; the transmission and distribution of electricity; the rental or lease of an automobile, a camper trailer, or a motor home, as defined in Title 29-A, section 101, subsection 40; the rental or lease of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds from a person primarily engaged in the business of renting automobiles; the sale of an extended service contract on an automobile or truck that entitles the purchaser to specific benefits in the service of the automobile or truck for a specific duration; and the sale of prepaid calling service.

**Sec. B-9. 36 MRSA §1752, sub-§19-A**, as amended by PL 2009, c. 207, §1, is further amended to read:

**19-A. Trailer.** "Trailer" means a vehicle without motive power and mounted on wheels that is designed to carry persons or property and to be drawn by a motor vehicle

1 and not operated on tracks. "Trailer" includes a camper trailer as defined in section 1481,  
2 subsection 1-A ~~but without restriction on length.~~

3 **Sec. B-10. 36 MRSA §1752, sub-§22**, as enacted by PL 1987, c. 49, §1, is  
4 amended to read:

5 **22. Camper trailer.** "Camper trailer" has the same meaning as in section 1481, ~~but~~  
6 ~~without any restriction on length~~ subsection 1-A.

7 **Sec. B-11. 36 MRSA §1754-A**, as amended by PL 2011, c. 644, §10 and affected  
8 by §35, is repealed.

9 **Sec. B-12. 36 MRSA §1754-B, sub-§1**, as amended by PL 2017, c. 375, Pt. A,  
10 §§4 and 5, is repealed.

11 **Sec. B-13. 36 MRSA §1754-B, sub-§1-A**, as amended by PL 2013, c. 546, §10,  
12 is further amended to read:

13 **1-A. Persons presumptively required to register.** This subsection defines the  
14 basis for and obligations associated with the rebuttable presumption created by this  
15 subsection that a seller not registered under subsection ~~1~~ 1-B is engaged in the business of  
16 selling tangible personal property or taxable services for use in this State and is required  
17 to register as a retailer with the assessor.

18 A. As used in this subsection, unless the context otherwise indicates, the following  
19 terms have the following meanings.

20 (1) "Affiliated person" means a person that is a member of the same controlled  
21 group of corporations as the seller or any other entity that, notwithstanding its  
22 form of organization, bears the same ownership relationship to the seller as a  
23 corporation that is a member of the same controlled group of corporations. For  
24 purposes of this subparagraph, "controlled group of corporations" has the same  
25 meaning as in the Code, Section 1563(a).

26 (2) "Person" means an individual or entity that qualifies as a person under the  
27 Code, Section 7701(a)(1).

28 (3) "Seller" means a person that sells, other than in a casual sale, tangible  
29 personal property or taxable services.

30 B. A seller is presumed to be engaged in the business of selling tangible personal  
31 property or taxable services for use in this State if an affiliated person has a  
32 substantial physical presence in this State or if any person, other than a person acting  
33 in its capacity as a common carrier, that has a substantial physical presence in this  
34 State:

35 (1) Sells a similar line of products as the seller and does so under a business  
36 name that is the same as or similar to that of the seller;

37 (2) Maintains an office, distribution facility, warehouse or storage place or  
38 similar place of business in the State to facilitate the delivery of property or  
39 services sold by the seller to the seller's customers;

- 1 (3) Uses trademarks, service marks or trade names in the State that are the same
- 2 as or substantially similar to those used by the seller;
- 3 (4) Delivers, installs, assembles or performs maintenance services for the seller's
- 4 customers within the State;
- 5 (5) Facilitates the seller's delivery of property to customers in the State by
- 6 allowing the seller's customers to pick up property sold by the seller at an office,
- 7 distribution facility, warehouse, storage place or similar place of business
- 8 maintained by the person in the State; or
- 9 (6) Conducts any activities in the State that are significantly associated with the
- 10 seller's ability to establish and maintain a market in the State for the seller's sales.

11 A seller who meets the requirements of this paragraph shall register with the assessor  
12 and collect and remit taxes in accordance with the provisions of this Part. A seller  
13 may rebut the presumption created in this paragraph by demonstrating that the  
14 person's activities in the State are not significantly associated with the seller's ability  
15 to establish or maintain a market in this State for the seller's sales.

16 C. A seller that does not otherwise meet the requirements of paragraph B is  
17 presumed to be engaged in the business of selling tangible personal property or  
18 taxable services for use in this State if the seller enters into an agreement with a  
19 person under which the person, for a commission or other consideration, while within  
20 this State:

- 21 (1) Directly or indirectly refers potential customers, whether by a link on an
- 22 Internet website, by telemarketing, by an in-person presentation or otherwise, to
- 23 the seller; and
- 24 (2) The cumulative gross receipts from retail sales by the seller to customers in
- 25 the State who are referred to the seller by all persons with this type of an
- 26 agreement with the seller are in excess of \$10,000 during the preceding 12
- 27 months.

28 A seller who meets the requirements of this paragraph shall register with the assessor  
29 and collect and remit taxes in accordance with the provisions of this Part.

30 A seller may rebut the presumption created in this paragraph by submitting proof that  
31 the person with whom the seller has an agreement did not engage in any activity  
32 within the State that was significantly associated with the seller's ability to establish  
33 or maintain the seller's market in the State during the preceding 12 months. Such  
34 proof may consist of sworn, written statements from all of the persons within this  
35 State with whom the seller has an agreement stating that they did not engage in any  
36 solicitation in the State on behalf of the seller during the preceding 12 months; these  
37 statements must be provided and obtained in good faith.

38 A person who enters into an agreement with a seller under this paragraph to refer  
39 customers by a link on an Internet website is not required to register or collect taxes  
40 under this Part solely because of the existence of the agreement.

41 **Sec. B-14. 36 MRSA §1754-B, sub-§§1-B and 1-C** are enacted to read:



1 **1-B. Persons required to register.** Except as otherwise provided in this section, the  
2 following persons, other than casual sellers, shall register with the assessor and collect  
3 and remit taxes in accordance with the provisions of this Part:

4 A. Every person that has a substantial physical presence in this State and that makes  
5 sales of tangible personal property or taxable services in this State, including, but not  
6 limited to:

7 (1) Every person that makes sales of tangible personal property or taxable  
8 services, whether or not at retail, and that maintains in this State any office,  
9 manufacturing facility, distribution facility, warehouse or storage facility, sales or  
10 sample room or other place of business;

11 (2) Every person that makes sales of tangible personal property or taxable  
12 services that does not maintain a place of business in this State but makes retail  
13 sales in this State or solicits orders, by means of one or more salespeople within  
14 this State, for retail sales within this State; and

15 (3) Every lessor engaged in the leasing of tangible personal property located in  
16 this State that does not maintain a place of business in this State but makes retail  
17 sales to purchasers from this State;

18 B. Every person that makes sales of tangible personal property or taxable services for  
19 delivery into this State if:

20 (1) The person's gross sales from delivery of tangible personal property or  
21 taxable services into this State in the previous calendar year or current calendar  
22 year exceeds \$100,000; or

23 (2) The person sold tangible personal property or taxable services for delivery  
24 into this State in at least 200 separate transactions in the previous calendar year or  
25 the current calendar year;

26 C. Every person that has a substantial physical presence in this State and that makes  
27 retail sales in this State of tangible personal property or taxable services on behalf of  
28 a principal that is outside of this State if the principal is not the holder of a valid  
29 registration certificate;

30 D. Every agent, representative, salesperson, solicitor or distributor that has a  
31 substantial physical presence in this State and that receives compensation by reason  
32 of sales of tangible personal property or taxable services made outside this State by a  
33 principal for use, storage or other consumption in this State;

34 E. Every person that manages or operates in the regular course of business or on a  
35 casual basis a hotel, rooming house or tourist or trailer camp in this State or that  
36 collects or receives rents on behalf of a hotel, rooming house or tourist or trailer camp  
37 in this State;

38 F. Every person that operates a transient rental platform and reserves, arranges for,  
39 offers, furnishes or collects or receives consideration for the rental of living quarters  
40 in this State;

41 G. Every room remarketer;

1           H. Every person that makes retail sales in this State of tangible personal property or  
2           taxable services on behalf of the owner of that property or the provider of those  
3           services;

4           I. Every person not otherwise required to be registered that sells tangible personal  
5           property to the State and is required to register as a condition of doing business with  
6           the State pursuant to Title 5, section 1825-B; and

7           J. Every person that holds a wine direct shipper license under Title 28-A, section  
8           1403-A.

9           **1-C. Activities exempt.** For purposes of subsection 1-B, the following activities do  
10          not constitute substantial physical presence in this State:

11          A. Solicitation of business in this State through catalogs, flyers, telephone or  
12          electronic media when delivery of ordered goods is effected by the United States mail  
13          or by an interstate 3rd-party common carrier;

14          B. Attending trade shows, seminars or conventions in this State;

15          C. Holding a meeting of a corporate board of directors or shareholders or holding a  
16          company retreat or recreational event in this State;

17          D. Maintaining a bank account or banking relationship in this State; or

18          E. Using a vendor in this State for printing.

19          **Sec. B-15. 36 MRSA §1754-B, sub-§2-B,** as amended by PL 2005, c. 519, Pt.  
20          OOO, §1, is further amended to read:

21          **2-B. Issuance of resale certificates; new accounts.** The assessor shall issue a  
22          ~~provisional~~ resale certificate to each applicant for initial registration that states on its  
23          application that it expects to make annual gross sales of \$3,000 or more. A ~~provisional~~  
24          resale certificate issued between January 1st and September 30th is effective for the  
25          duration of the calendar year in which it is issued and the ~~2~~ 3 subsequent years. A  
26          ~~provisional~~ resale certificate issued between October 1st and December 31st is effective  
27          until the end of the ~~3rd~~ 4th succeeding calendar year. Each certificate must contain the  
28          name and address of the retailer, the expiration date of the certificate and the certificate  
29          number. If a vendor has a true copy of a retailer's resale certificate on file, that retailer  
30          need not present the certificate for each subsequent transaction with that vendor during  
31          the period for which it is valid.

32          **Sec. B-16. 36 MRSA §1754-B, sub-§2-C,** as amended by PL 2013, c. 588, Pt.  
33          A, §45, is further amended to read:

34          **2-C. Renewal of resale certificates; contents; presentation to vendor.** On  
35          November 1st of each year, the assessor shall review the returns filed by each registered  
36          retailer unless the retailer has a resale certificate expiring after December 31st of that  
37          year. If the retailer reports \$3,000 or more in gross sales during the 12 months preceding  
38          the assessor's review, the assessor shall issue to the registered retailer a resale certificate  
39          effective for 5 calendar years. Each certificate must contain the name and address of the  
40          retailer, the expiration date of the certificate and the certificate number. If a vendor has a

1 true copy of a retailer's resale certificate on file, that retailer need not present the  
2 certificate for each subsequent transaction with that vendor during the period for which it  
3 is valid.

4 A registered retailer that fails to meet the \$3,000 threshold upon the annual review of the  
5 assessor is not entitled to renewal of its resale certificate except as provided in this  
6 subsection. When any such retailer shows that its gross sales for a more current 12-  
7 month period total \$3,000 or more or explains to the satisfaction of the assessor why  
8 temporary extraordinary circumstances caused ~~its~~ that retailer's gross sales for the period  
9 used for the assessor's annual review to be less than \$3,000, the assessor shall, upon the  
10 written request of the retailer, issue to the retailer a resale certificate effective for the next  
11 5 calendar years.

12 **Sec. B-17. 36 MRSA §1759**, as amended by PL 2017, c. 375, Pt. H, §1, is further  
13 amended to read:

14 **§1759. Bonds**

15 Either as a condition for issuance or subsequent to the issuance of a registration  
16 certificate under section 1754-B, or 1756 ~~or 1951-B~~, the State Tax Assessor may require  
17 from a taxpayer a bond written by a surety company qualified to do business in this State,  
18 in an amount and upon conditions to be determined by the assessor. In lieu of a bond the  
19 assessor may accept a deposit of money or securities in an amount and of a kind  
20 acceptable to the assessor. The deposit must be delivered to the Treasurer of State, who  
21 shall safely keep it subject to the instructions of the assessor.

22 **Sec. B-18. 36 MRSA §1760, sub-§34**, as amended by PL 2005, c. 218, §23, is  
23 repealed.

24 **Sec. B-19. 36 MRSA §1760, sub-§94**, as enacted by PL 2011, c. 655, Pt. PP, §3  
25 and affected by §4, is amended to read:

26 **94. Positive airway pressure and oxygen delivery equipment and supplies.**  
27 Positive airway pressure equipment and supplies and oxygen delivery equipment sold or  
28 leased for personal use.

29 **Sec. B-20. 36 MRSA §1811**, as amended by PL 2017, c. 409, Pt. D, §2, is  
30 repealed and the following enacted in its place:

31 **§1811. Sales tax**

32 **1. Tax imposed; rates.** A tax is imposed on the value of all tangible personal  
33 property, products transferred electronically and taxable services sold at retail in this  
34 State. Value is measured by the sale price.

35 A. For sales occurring on or after October 1, 2013 and before January 1, 2016, the  
36 rate of tax is 5.5% on the value of all tangible personal property and taxable services,  
37 except the rate of tax is:

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

1                   (2) Eight percent on the value of liquor sold in licensed establishments as  
2                   defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A,  
3                   chapter 43;

4                   (3) Eight percent on the value of rental of living quarters in any hotel, rooming  
5                   house or tourist or trailer camp; and

6                   (4) Ten percent on the value of rental for a period of less than one year of an  
7                   automobile, of a pickup truck or van with a gross vehicle weight of less than  
8                   26,000 pounds rented from a person primarily engaged in the business of renting  
9                   automobiles or of a loaner vehicle that is provided other than to a motor vehicle  
10                  dealer's service customers pursuant to a manufacturer's or dealer's warranty.

11                  B. For sales occurring on or after January 1, 2016 and before May 2, 2018, the rate  
12                  of tax is 5.5% on the value of all tangible personal property and taxable services,  
13                  except the rate of tax is:

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

15                   (2) Eight percent on the value of liquor sold in licensed establishments as  
16                   defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A,  
17                   chapter 43;

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

20                   (4) Ten percent on the value of rental for a period of less than one year of an  
21                   automobile, of a pickup truck or van with a gross vehicle weight of less than  
22                   26,000 pounds rented from a person primarily engaged in the business of renting  
23                   automobiles or of a loaner vehicle that is provided other than to a motor vehicle  
24                   dealer's service customers pursuant to a manufacturer's or dealer's warranty.

25                  C. For sales occurring on or after May 2, 2018 and before October 1, 2019, the rate  
26                  of tax is 5.5% on the value of all tangible personal property and taxable services,  
27                  except the rate of tax is:

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

29                   (2) Eight percent on the value of liquor sold in licensed establishments as  
30                   defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A,  
31                   chapter 43;

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

34                   (4) Ten percent on the value of rental for a period of less than one year of an  
35                   automobile, of a pickup truck or van with a gross vehicle weight of less than  
36                   26,000 pounds rented from a person primarily engaged in the business of renting  
37                   automobiles or of a loaner vehicle that is provided other than to a motor vehicle  
38                   dealer's service customers pursuant to a manufacturer's or dealer's warranty; and

39                   (5) Ten percent on the value of adult use marijuana and adult use marijuana  
40                   products beginning on the first day of the calendar month in which adult use  
41                   marijuana and adult use marijuana products may be sold in the State by a

1 marijuana establishment licensed to conduct retail sales pursuant to Title 28-B,  
2 chapter 1.

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

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

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

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

13 (4) Ten percent on the value of rental for a period of less than one year of an  
14 automobile, of a truck or van with a gross vehicle weight of less than 26,000  
15 pounds rented from a person primarily engaged in the business of renting  
16 automobiles or of a loaner vehicle that is provided other than to a motor vehicle  
17 dealer's service customers pursuant to a manufacturer's or dealer's warranty; and

18 (5) Ten percent on the value of adult use marijuana and adult use marijuana  
19 products beginning on the first day of the calendar month in which adult use  
20 marijuana and adult use marijuana products may be sold in the State by a  
21 marijuana establishment licensed to conduct retail sales pursuant to Title 28-B,  
22 chapter 1.

23 **2. Public utility sales; tax added to rates.** The tax imposed upon the sale and  
24 distribution of gas, water or electricity by any public utility, the rates for which sale and  
25 distribution are established by the Public Utilities Commission, must be added to the rates  
26 so established.

27 **Sec. B-21. 36 MRS §1811-B**, as amended by PL 2005, c. 332, §14 and affected  
28 by §30, is further amended to read:

29 **§1811-B. Credit for tax paid on purchases for resale**

30 A retailer registered under section 1754-B or 1756 may claim a credit for sales tax  
31 imposed by this Part if the retailer has paid the sales tax on tangible personal property  
32 purchased for resale at retail sale. The credit may be claimed only on the return that  
33 corresponds to the period in which the tax was paid. The credit may not be claimed if the  
34 item has been withdrawn from inventory by the retailer for the retailer's own use prior to  
35 its sale. If the retailer purchases an item for resale at retail sale and pays tax to its vendor  
36 and if the retailer's sales and use tax liability for the tax period in question is less than the  
37 credit being claimed, the retailer is entitled either to carry the credit forward or to receive  
38 a refund of the tax paid.

39 **Sec. B-22. 36 MRS §1819** is enacted to read:

1           **§1819. Sourcing**

2           **1. "Receive" and "receipt" defined.** For the purposes of this section, "receive" and  
3           "receipt" mean:

4           A. Taking possession of tangible personal property;

5           B. Making first use of services; or

6           C. Taking possession or making first use of products transferred electronically,  
7           whichever comes first.

8           "Receive" and "receipt" do not include possession by a shipping company on behalf of  
9           the purchaser.

10          **2. Sourcing for sales of tangible personal property and taxable services.** The  
11          retail sale of tangible personal property or a taxable service is sourced in this State  
12          pursuant to this subsection.

13          A. When the tangible personal property or taxable service is received by the  
14          purchaser at a business location of the seller, the sale is sourced to that business  
15          location.

16          B. When the tangible personal property or taxable service is not received by the  
17          purchaser at a business location of the seller, the sale is sourced to the location where  
18          receipt by the purchaser or the purchaser's donee occurs, including the location  
19          indicated by instructions for delivery to the purchaser or donee known to the seller.

20          C. For a sale when paragraphs A and B do not apply, the sale is sourced to the  
21          location indicated by an address for the purchaser that is available from the business  
22          records of the seller that are maintained in the ordinary course of the seller's business  
23          when use of this address does not constitute bad faith.

24          D. For a sale when paragraphs A to C do not apply, the sale is sourced to the location  
25          indicated by an address for the purchaser obtained during the consummation of the  
26          sale, including the address of a purchaser's payment instrument, if no other address is  
27          available, when use of this address does not constitute bad faith.

28          E. When paragraphs A to D do not apply, including the circumstance in which the  
29          seller is without sufficient information to apply paragraphs A to D, the location is  
30          determined by the address from which tangible personal property was shipped, from  
31          which the tangible personal property or taxable service transferred electronically was  
32          first available for transmission by the seller or from which the service was provided,  
33          disregarding for these purposes any location that merely provided the digital transfer  
34          of the tangible personal property or taxable service sold.

35          **Sec. B-23. 36 MRSA §1863**, as enacted by PL 1981, c. 503, is repealed.

36          **Sec. B-24. 36 MRSA §1864**, as enacted by PL 2001, c. 439, Pt. II, §1 and affected  
37          by §2, is amended to read:



1           **Sec. C-4. 36 MRSA §191, sub-§2, ¶WW**, as repealed and replaced by PL 2013,  
2 c. 331, Pt. B, §4, is repealed.

3           **Sec. C-5. 36 MRSA §5122, sub-§1, ¶GG**, as amended by PL 2015, c. 1, §2, is  
4 repealed.

5           **Sec. C-6. 36 MRSA §5142, sub-§3-A**, as amended by PL 2007, c. 627, §83, is  
6 further amended to read:

7           **3-A. Gain or loss on sale of partnership interest.** Notwithstanding subsection 3,  
8 the gain or loss on the sale of a partnership interest is sourced to this State in an amount  
9 equal to the gain or loss multiplied by the ratio obtained by dividing the original cost of  
10 partnership tangible property located in Maine by the original cost of partnership tangible  
11 property everywhere, determined at the time of the sale. Tangible property includes  
12 property owned or rented and is valued in accordance with section 5211, subsection 10.  
13 If more than 50% of the value of the partnership's assets ~~consist~~ consists of intangible  
14 property, gain or loss from the sale of the partnership interest is sourced to this State in  
15 accordance with the sales factor of the partnership for its first full tax period immediately  
16 preceding the tax period of the partnership during which the partnership interest was sold.  
17 For purposes of this subsection, the sales factor of a partnership is determined in  
18 accordance with section 5211, ~~subsections~~ subsection 14, subsection 15 and subsection  
19 16-A, paragraphs A to E. This subsection does not apply to the sale of a limited partner's  
20 interest in an investment partnership where more than 80% of the value of the  
21 partnership's total assets consists of intangible personal property held for investment,  
22 except that such property cannot include an interest in a partnership unless that  
23 partnership is itself an investment partnership.

24 If the apportionment provisions of this ~~section~~ subsection do not fairly represent the  
25 extent of the partnership's business activity in this State, the taxpayer may petition for, or  
26 the State Tax Assessor may require, in respect to all or any part of the partnership's  
27 business activity the employment of any other method to effectuate an equitable  
28 apportionment to this State of the partner's income from the sale of the partnership  
29 interest.

30           **Sec. C-7. 36 MRSA §5147** is enacted to read:

31           **§5147. Installment sale election**

32           Notwithstanding any provision of this Part to the contrary, an individual who  
33 transferred, during the taxable year, real or tangible property located in this State under an  
34 installment sale agreement may elect to recognize, for purposes of determining the  
35 taxable income under this chapter, the total gain or loss from that sale in the taxable year  
36 of the transfer, or to recognize any remaining gain or loss in a subsequent tax year to the  
37 extent of the gain or loss not reported in a prior tax year. An election under this section is  
38 not available to an individual unless that individual is a nonresident of this State at the  
39 time of the transfer or at the time the election is made. An election under this section  
40 must be made on a timely filed original income tax return, including if filed by any  
41 extension granted for filing the return, and, once made, is irrevocable.



1           **Sec. C-8. 36 MRSA §5200-A, sub-§1, ¶Z**, as amended by PL 2015, c. 1, §8, is  
2 repealed.

3           **Sec. C-9. 36 MRSA §5211, sub-§16-A, ¶F**, as enacted by PL 2007, c. 240, Pt.  
4 V, §9 and affected by §15, is repealed and the following enacted in its place:

5           F. Gross receipts on the sale of a partnership interest must be sourced to this State in  
6 an amount equal to the gross receipts multiplied by the ratio obtained by dividing the  
7 original cost of partnership tangible property located in Maine by the original cost of  
8 partnership tangible property everywhere, determined at the time of the sale. Tangible  
9 property includes property owned or rented and is valued in accordance with  
10 subsection 10. If more than 50% of the value of the partnership's assets consists of  
11 intangible property, gross receipts from the sale of the partnership interest must be  
12 sourced to this State in accordance with the sales factor of the partnership for its first  
13 full tax period immediately preceding the tax period of the partnership during which  
14 the partnership interest was sold. For purposes of this paragraph, the sales factor of a  
15 partnership is determined in accordance with subsection 14, subsection 15 and  
16 subsection 16-A, paragraphs A to E. This paragraph does not apply to the sale of a  
17 limited partner's interest in an investment partnership when more than 80% of the  
18 value of the partnership's total assets consists of intangible personal property held for  
19 investment, except that such property cannot include an interest in a partnership  
20 unless that partnership is itself an investment partnership.

21           **Sec. C-10. 36 MRSA §5212**, as amended by PL 2007, c. 240, Pt. V, §13, is  
22 repealed.

23           **Sec. C-11. 36 MRSA §5216-D**, as amended by PL 2011, c. 548, §30 and affected  
24 by §36 and as amended by c. 644, §28 and affected by §33, is repealed.

25           **Sec. C-12. 36 MRSA §5217-D, sub-§1, ¶G**, as amended by PL 2015, c. 482, §3,  
26 is further amended to read:

27           G. "Qualified individual" means an individual, including the spouse filing a joint  
28 return with the individual under section 5221, who is eligible for the credit provided  
29 in this section. An individual is eligible for the credit if the individual:

30           (1) Attended and obtained:

31           (a) An associate or bachelor's degree from an accredited Maine community  
32 college, college or university after December 31, 2007 but before January 1,  
33 2016. The individual need not obtain the degree from the institution in which  
34 that individual originally enrolled as long as all course work toward the  
35 degree is performed at an accredited Maine community college, college or  
36 university, except that an individual who transfers to an accredited Maine  
37 community college, college or university after December 31, 2012 but before  
38 January 1, 2016 from outside the State and earned no more than 30 credit  
39 hours of course work toward the degree at an accredited non-Maine  
40 community college, college or university after December 31, 2007 and prior  
41 to the transfer is eligible for the credit if all other eligibility criteria are met.  
42 Program eligibility for such an individual must be determined as if the

1 commencement of course work at the relevant accredited Maine community  
2 college, college or university was the commencement of course work for the  
3 degree program as a whole. This division does not apply to tax years  
4 beginning after December 31, 2015;

5 (a-1) For tax years beginning on or after January 1, 2016, an associate or  
6 bachelor's degree from an accredited Maine community college, college or  
7 university after December 31, 2007 but before January 1, 2016, regardless of  
8 whether the individual earned credit hours of course work toward the degree  
9 outside the State;

10 (b) An associate or bachelor's degree from an accredited Maine or non-  
11 Maine community college, college or university after December 31, 2015; or

12 (c) A graduate degree from an accredited Maine college or university after  
13 December 31, 2015;

14 (4) During the taxable year, was a resident individual; and

15 (5) Worked during the taxable year:

16 (a) For tax years beginning prior to January 1, 2015, at least part time for an  
17 employer located in this State or, for tax years beginning on or after January  
18 1, 2013, was, during the taxable year, deployed for military service in the  
19 United States Armed Forces, including the National Guard and the Reserves  
20 of the United States Armed Forces;

21 (b) For tax years beginning on or after January 1, 2015, at least part time in  
22 this State for an employer or as a self-employed individual or was, during the  
23 taxable year, deployed for military service in the United States Armed  
24 Forces, including the National Guard and the Reserves of the United States  
25 Armed Forces; or

26 (c) For tax years beginning on or after January 1, 2016, at least part time in a  
27 position on a vessel at sea.

28 As used in this subparagraph, "deployed for military service" ~~has the same~~  
29 ~~meaning as in Title 26, section 814, subsection 1, paragraph A~~ means active  
30 military duty with the state military forces, as defined in Title 37-B, section 102,  
31 or the United States Armed Forces, including the National Guard and the  
32 Reserves of the United States Armed Forces, whether pursuant to orders of the  
33 Governor or the President of the United States.

34 **Sec. C-13. 36 MRSA §5219-HH, sub-§6-A** is enacted to read:

35 **6-A. Interest inapplicable.** Notwithstanding any provision of this Title to the  
36 contrary, interest does not accrue during any period of delay as the result of the fiscal  
37 year credit limit imposed by Title 10, section 1100-Z, subsection 4 of any payment to a  
38 taxpayer pursuant to this section.

39 **Sec. C-14. 36 MRSA §5250, sub-§5** is enacted to read:

1           **5. Fiscal agents.** Fiduciaries, agents and other persons designated in accordance  
2 with the Code, Section 3504 to perform acts required of employers may, at the discretion  
3 of the assessor, be designated to perform acts required of employers for the purposes of  
4 complying with the requirements of this section. Designation by the assessor is subject to  
5 the terms and conditions the assessor may require. Except as may be otherwise  
6 prescribed by rule, all provisions of this Title applicable with respect to an employer, to  
7 the extent that such provision has application to the provisions of this section, including  
8 the provisions of section 177, are applicable to the designated fiduciary, agent or other  
9 person, including, but not limited to, provisions governing assessment of liability and  
10 application of interest and penalties. Notwithstanding the immediately preceding  
11 sentence, an employer for which a fiduciary, agent or other person acts remains subject to  
12 the provisions of this Title applicable with respect to employers.

13           **Sec. C-15. 36 MRSA §5403, sub-§1,** as enacted by PL 2015, c. 267, Pt. DD,  
14 §33, is repealed and the following enacted in its place:

15           **1. Individual income tax rate tables.** Beginning in 2019 and each year thereafter,  
16 the dollar amounts of the tax rate tables specified in section 5111, subsections 1-F, 2-F  
17 and 3-F, except that for the purposes of this subsection, notwithstanding section 5402,  
18 subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for  
19 the 12-month period ending June 30th of the preceding calendar year divided by the  
20 Chained Consumer Price Index for the 12-month period ending June 30, 2015;

21           **Sec. C-16. IB 2017, c. 1, Pt. B, §2** is repealed.

22           **Sec. C-17. Application; retroactive application.** Those sections of this Part  
23 that enact the Maine Revised Statutes, Title 36, section 5147; that amend Title 36, section  
24 5142, subsection 3-A; that repeal Title 12, chapter 903, subchapter 8 and Title 36, section  
25 5122, subsection 1, paragraph GG; section 5200-A, subsection 1, paragraph Z; section  
26 5212; and section 5216-D; and that repeal and replace Title 36, section 5211, subsection  
27 16-A, paragraph F apply to tax years beginning on or after January 1, 2019. That section  
28 of this Part that amends Title 36, section 5217-D, subsection 1, paragraph G applies  
29 retroactively to tax years beginning on or after January 1, 2013.

## 30           **PART D**

31           **Sec. D-1. 36 MRSA §5219-QQ, sub-§2, ¶E,** as amended by PL 2017, c. 375,  
32 Pt. D, §3 and c. 405, §1, is repealed and the following enacted in its place:

33           E. The commissioner shall revoke a certificate of approval if the certified applicant  
34 or a person to whom a certificate of approval has been transferred pursuant to  
35 paragraph D fails to make a qualified investment within 5 years of the date of the  
36 certificate of approval. The commissioner shall revoke a certificate of approval or a  
37 certificate of completion if the applicant or transferee ceases operations of the  
38 headquarters in the State or the certificate of approval or certificate of completion is  
39 transferred to another person without approval from the commissioner pursuant to  
40 paragraph D. A certified applicant whose certificate of completion is revoked within  
41 5 years after the date issued shall return to the State an amount equal to the total  
42 credits claimed for all tax years under this section. A certified applicant whose

1 certificate of completion is revoked during the period from 6 years after through 10  
2 years after the date the certificate was issued shall return to the State an amount equal  
3 to the total credits claimed under this section for the period from 6 years after through  
4 10 years after the date the certificate was issued. If credit amounts are recaptured  
5 after a certificate of approval has been transferred as provided in paragraph D, the  
6 transferee is responsible for payment of any credit amounts that must be returned to  
7 the State. The amount to be returned to the State under this paragraph is, for purposes  
8 of this Title, a tax subject to the collection and enforcement provisions contained in  
9 Part 1, including the application of applicable interest and penalties. The amount to  
10 be returned to the State must be added to the tax imposed on the taxpayer under this  
11 Part for the taxable year during which the certificate is revoked.

12 **Sec. D-2. 36 MRSA §5219-QQ, sub-§3**, as amended by PL 2017, c. 375, Pt. D,  
13 §4 and c. 405, §1, is repealed and the following enacted in its place:

14 **3. Refundable credit allowed.** A certified applicant who has received a certificate  
15 of completion is allowed a credit as provided in this subsection.

16 A. Subject to the limitations under paragraph B, beginning with the tax year during  
17 which the certificate of completion is issued or the tax year beginning in 2020,  
18 whichever is later, and for each of the following 19 tax years, a certified applicant is  
19 allowed a credit against the tax due under this Part for the taxable year in an amount  
20 equal to 2% of the amount of actual qualified investment specified on the certified  
21 applicant's certificate of completion under subsection 2, paragraph F or the amount of  
22 qualified investment approved by the commissioner in the certificate of approval  
23 under subsection 2, paragraph B, whichever is less. The credit allowed under this  
24 paragraph is refundable.

25 B. The credit under this subsection is limited as follows.

26 (1) A credit is not allowed for any tax year during which the taxpayer does not  
27 meet or exceed the following employment targets as measured on the last day of  
28 the tax year.

29 (a) For each of the first 10 tax years for which the credit is claimed, there  
30 must be a total of at least 80 additional full-time employees based in the State  
31 above the certified applicant's base level of employment whose jobs were  
32 added since the first day of the first tax year for which the credit was claimed  
33 multiplied by the number of years for which the credit has been claimed,  
34 including the tax year for which the credit is currently being claimed.

35 (b) For each tax year after the 10th tax year for which the credit is claimed,  
36 the taxpayer must employ a total of at least 800 additional full-time  
37 employees based in the State above the certified applicant's base level of  
38 employment whose jobs were added since the first day of the first tax year  
39 for which the credit was claimed.

40 Jobs for additional full-time employees that are counted for determining  
41 eligibility for the credit under one certificate of completion may not be counted  
42 for determining eligibility for the credit under a separate certificate of  
43 completion. For purposes of this paragraph, "additional full-time employees"

1 does not include employees who are shifted to a certified applicant's headquarters  
2 in the State from an affiliated business in the State. The commissioner shall  
3 determine whether a shifting of employees has occurred. For purposes of this  
4 paragraph, "affiliated business" has the same meaning as in section 6753,  
5 subsection 1-A.

6 (2) Cumulative credits under this subsection may not exceed \$16,000,000 under  
7 any one certificate.

8 **Sec. D-3. 36 MRSA §5219-QQ, sub-§4**, as amended by PL 2017, c. 375, Pt. D,  
9 §4 and c. 405, §1, is repealed and the following enacted in its place:

10 **4. Reporting required.** A certified applicant, the commissioner and the State Tax  
11 Assessor are required to make reports pursuant to this subsection.

12 A. On or before March 1st of each year, a certified applicant shall file a report with  
13 the commissioner for the tax year ending during the immediately preceding calendar  
14 year, referred to in this subsection as "the report year," containing the following  
15 information:

16 (1) The number of all full-time employees based in this State of the certified  
17 applicant on the last day of the report year;

18 (2) The incremental amount of qualified investment made in the report year;

19 (3) The total number of additional full-time employees added in the State by the  
20 certified applicant above the certified applicant's base level of employment since  
21 the date a certificate of approval was issued;

22 (4) The incremental number of additional full-time employees added in the State  
23 by the certified applicant above the certified applicant's base level of employment  
24 during the report year;

25 (5) The average and median wages of all additional full-time employees above  
26 the certified applicant's base level of employment in the State whose jobs were  
27 added since the first day of the first tax year for which the credit was claimed;  
28 and

29 (6) The percentage and number of all additional full-time employees above the  
30 certified applicant's base level of employment who have access to retirement  
31 benefits and health benefits.

32 The commissioner may prescribe forms for the annual report described in this  
33 paragraph. The commissioner shall provide copies of the report to the State Tax  
34 Assessor and to the joint standing committee of the Legislature having jurisdiction  
35 over taxation matters at the time the report is received.

36 B. By December 31st of each year, the State Tax Assessor shall report to the joint  
37 standing committee of the Legislature having jurisdiction over taxation matters the  
38 revenue loss during the report year as a result of this section for each taxpayer  
39 claiming the credit and, if necessary, shall include updated revenue loss amounts for  
40 any previous tax year. For purposes of this paragraph, "revenue loss" means the  
41 credit claimed by the taxpayer and allowed pursuant to this section, consisting of the

1 amount of the credit used to reduce the tax liability of the taxpayer and the amount of  
2 the credit refunded to the taxpayer, stated separately.

3 Notwithstanding any other provision of law to the contrary, the reports provided under  
4 this subsection are public records as defined in Title 1, section 402, subsection 3.

5 **Sec. D-4. 36 MRSA §5219-QQ, sub-§5**, as enacted by PL 2017, c. 375, Pt. D,  
6 §5, is reallocated to 36 MRSA §5219-QQ, sub-§6.

7 **PART E**

8 **Sec. E-1. 36 MRSA §191, sub-§2, ¶HHH** is enacted to read:

9 HHH. The disclosure of information to an authorized representative of the Public  
10 Utilities Commission for use in the commissioner's administration and oversight of  
11 the E-9-1-1 funding under Title 25, section 2927, the state universal service fund  
12 under Title 35-A, section 7104 and the telecommunications education access fund  
13 under Title 35-A, section 7104-B. The assessor shall apprise the authorized  
14 representative of the provisions regarding confidentiality of such information and of  
15 the continuing confidential nature of the disclosed information.

16 **SUMMARY**

17 This bill makes the following changes to the tax laws.

18 Part A expands the allowed use of a facsimile signature of the State Tax Assessor to  
19 any use by the assessor or at the assessor's direction. In addition, in order to make  
20 changes to the property tax law of Maine, Part A:

21 1. Aligns the delinquent property tax interest rate in the unorganized territory with  
22 that of municipalities;

23 2. Simplifies the notice and appeals processes for municipal valuations;

24 3. Allows the adjustment of prior years' state valuations for purposes of calculating  
25 current and ongoing state education payments to a municipality. Municipalities may  
26 appeal adverse decisions to the State Board of Property Tax Review;

27 4. Requires that the municipal assessor be notified prior to the commitment of taxes  
28 for an owner of a partial interest in property to be assessed on the partial interest only;

29 5. Removes the requirement for benevolent and charitable institutions to be  
30 incorporated in Maine in order to qualify for property tax exemption;

31 6. Clarifies when the alternative municipal tax lien foreclosure sales process is  
32 required;

33 7. Removes the provision allowing the \$4,000 exemption for the legally blind to be  
34 apportioned among multiple jurisdictions. Instead, the exemption may be claimed only in  
35 the taxpayer's place of residence;

1           8. Eliminates photocopiers and postage machines from property eligible for tax  
2 exemption under the business equipment tax exemption;

3           9. Removes the provision limiting the aggregate total acres that may be classified in  
4 the farm and open space tax program to 15,000 for a single person;

5           10. Aligns the definition of delinquent taxes in the unorganized territory with that of  
6 municipalities where taxes are delinquent if not paid by the due date;

7           11. Clarifies the definitions of "mobile home" and "camper trailer" to align the  
8 definitions with those used in property tax and sales tax law;

9           12. Clarifies that the credit for excise tax previously paid and the model year  
10 adjustment for certain vehicles is limited to instances when the previously paid excise tax  
11 is the Maine excise tax; and

12           13. Defines nominal value as less than 20% of the assessed value for determining  
13 when the market value for a property should be used for the purposes of calculating the  
14 real estate transfer tax.

15           Part B, in order to make changes to the sales tax law in the Maine Revised Statutes:

16           1. Specifies that camper trailers and motor homes must be rented as tangible personal  
17 property and not as living quarters for the purposes of the exclusion from the definition of  
18 retail sale;

19           2. Aligns the tax treatment of box trucks purchased for short-term rental with that of  
20 automobiles, pickup trucks and vans when the trucks are under 26,000 pounds gross  
21 vehicle weight by taxing box trucks rental at the same 10% rate and excluding their  
22 purchase from sales tax when they are purchased for rental;

23           3. Provides equity among sales through vending machines by repealing the inclusion  
24 of sales by a person primarily engaged in the resale of products through vending  
25 machines and also repealing the exemption for sales made through a vending machine;

26           4. It adds oxygen delivery equipment to the sales tax exemption for positive airway  
27 pressure equipment;

28           5. Reorganizes Title 36, section 1811, which imposes the Maine sales tax, for clarity,  
29 moves the provisions regarding the valuation of automobile rentals to the definition of  
30 sale price and moves the provision regarding the sourcing of products transferred  
31 electronically to a new sourcing provision;

32           6. Repeals the registration requirement for a person who rents or leases space to  
33 more than 4 persons at one location for less than a 12-month period for the purpose of  
34 making retail sales;

35           7. Consolidates the sales tax registration provisions by repealing Title 36, section  
36 1951-B and including the remote seller registration requirements in section 1754-B,

1 except for the expedited route to challenge the remote seller registration requirements due  
2 to the United States Supreme Court decision in South Dakota v. Wayfair, Inc.;

3 8. Removes the "provisional" resale certificate status for initial resale certificates and  
4 makes all resale certificates valid for a more similar time period;

5 9. Clarifies that beer and liquor prepared by a manufacturer and sold for on-premises  
6 consumption is taxed at the same 8% rate as beer and liquor sold for on-premises  
7 consumption by other establishments;

8 10. Adds retailers registered voluntarily under Title 36, section 1756 to the list of  
9 registered retailers able to claim a credit of tax paid on purchases for resale;

10 11. Enacts a new provision for the sourcing of the sale of tangible personal property,  
11 products transferred electronically and services. The new provision aligns Maine's  
12 practice with that of the Streamlined Sales and Use Tax Agreement and codifies Maine's  
13 existing delivery rule;

14 12. Consolidates and aligns 2 similar use tax exemptions for the donation of  
15 merchandise to tax-exempt organizations; and

16 13. Terminates and repeals the rental vehicle excise tax reimbursement for excise tax  
17 paid after June 30, 2019.

18 In order to make changes to the income tax laws of Maine, Part C:

19 1. Repeals the underutilized Maine fishery infrastructure investment tax credit  
20 program;

21 2. Limits calculation of the prior year's sales factor, for purposes of apportioning to  
22 the State the gain or loss on the sale of a partnership interest, to those items that represent  
23 the partnership's business activity in the State and corrects a reference;

24 3. Allows nonresident taxpayers to elect to recognize the entire gain or loss from an  
25 installment sale of real or tangible property in the taxable year of the transfer or in a  
26 subsequent year to simplify the filing process for nonresident individuals;

27 4. Clarifies the corporate income tax calculation for apportionment to the State with  
28 respect to the sale of a partnership interest by replacing references to "gains or losses"  
29 with references to "gross receipts." This change creates internal consistency with the  
30 calculation of the corporate apportionment factor that is based on the gross receipts of the  
31 taxpayer;

32 5. Removes the apportionment calculation for mutual fund service providers due to  
33 lack of use;

34 6. Clarifies that active duty service members who are domiciled in Maine remain  
35 eligible for the educational opportunity tax credit if assigned to active military duty  
36 outside Maine, as long as they otherwise qualify;



1           7. Prohibits the payment of interest on refunds issued relative to the new markets  
2 capital investment tax credit when they are delayed due to the fiscal year spending cap on  
3 the credit;

4           8. Allows, at the discretion of the State Tax Assessor, fiduciaries, agents and other  
5 persons who act as fiscal agents for federal income tax purposes on behalf of employers  
6 to act in similar fashion for Maine income tax withholding purposes. Those fiduciaries,  
7 agents and persons are subject to the same requirements and liabilities as imposed on  
8 client employers;

9           9. Replaces provisions subjecting the lowest individual income tax brackets and the  
10 highest individual income tax brackets to different annual cost-of-living adjustments with  
11 a provision that uses the same cost-of-living adjustment calculation for both brackets;

12           10. Repeals a Department of Administrative and Financial Services, Maine Revenue  
13 Services reporting requirement enacted by "An Act To Enhance Access to Affordable  
14 Health Care" and a transfer to the MaineCare Stabilization Fund based on the report.

15           Part D merges the changes made to the income tax credit for major business  
16 headquarters expansions made by 2 different laws enacted in the 128th Legislature,  
17 Second Regular Session, Public Law 2017, chapter 405, "An Act To Improve the  
18 Effectiveness of the Major Business Headquarters Expansion Tax Credit" and Public Law  
19 2017, chapter 375, "An Act To Amend the Maine Tax Laws."

20           Part E allows the disclosure of confidential tax information to an authorized  
21 representative of the Public Utilities Commission for use in the administration and  
22 oversight of the E-9-1-1 funding, the state universal service fund and the  
23 telecommunications education access fund.