



131st MAINE LEGISLATURE

LD 2198

LR 2945(02)

An Act to Remove the Exemption from Sales and Use Tax for Automobiles Purchased for Use as Rentals

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	(\$1,641,000)	(\$4,200,000)	(\$4,369,000)
Revenue				
General Fund	\$0	\$1,641,000	\$4,200,000	\$4,369,000
Other Special Revenue Funds	\$0	\$68,000	\$220,000	\$229,000

Fiscal Detail and Notes

Removing the sales and use tax exemption for automobiles purchased for use as rentals effective January 1, 2025 will increase General Fund revenue by \$1,709,000 in fiscal year 2024-25 and increase Local Government Fund revenue by \$68,000 in fiscal year 2024-25. In the next biennium, the full-year impact will be an increase of approximately \$4.3 million per year to the General Fund and \$225,000 per year to the Local Government Fund.

These estimates are based on the State's share of the national car rental industry and United States Bureau of Economic Analysis investment estimates for purchases of automobiles and light trucks by the rental industry.