



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 713

H.P. 544

House of Representatives, February 23, 2011

**An Act To Amend the Definition of "Retail Sale" for Purposes of the
Sales and Use Tax Law**

Received by the Clerk of the House on February 18, 2011. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator MASON of Androscoggin and
Representatives: AYOTTE of Caswell, CROCKETT of Bethel, GIFFORD of Lincoln,
HARMON of Palermo, MALABY of Hancock, PICCHIOTTI of Fairfield, TIMBERLAKE of
Turner, VOLK of Scarborough.

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

2 **Sec. 1. 36 MRSA §1752, sub-§11, ¶B,** as repealed and replaced by PL 2009, c.
3 434, §22, is amended to read:

4 B. "Retail sale" does not include:

5 (1) Any casual sale;

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

9 (3) The sale, to a person engaged in the business of renting automobiles, of
10 automobiles, integral parts of automobiles or accessories to automobiles, for
11 rental or for use in an automobile rented on a short-term basis;

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

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

16 (6) The sale, to a person engaged in the business of providing cable or satellite
17 television services, of associated equipment for rental or lease to subscribers in
18 conjunction with a sale of extended cable or extended satellite television services;

19 (7) The sale, to a person engaged in the business of renting furniture or audio
20 media and audio equipment, of furniture, audio media or audio equipment for
21 rental pursuant to a rental-purchase agreement as defined in Title 9-A, section
22 11-105;

23 (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant
24 to Title 29-A, section 953;

25 (9) The sale of automobile repair parts used in the performance of repair services
26 on an automobile that has a gross vehicle weight of 10,000 pounds or less
27 pursuant to an extended service contract sold on or after September 20, 2007 that
28 entitles the purchaser to specific benefits in the service of ~~the~~ that automobile for
29 a specific duration;

30 (10) The sale, to a retailer that has been issued a resale certificate pursuant to
31 section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in
32 the form of tangible personal property, except resale as a casual sale;

33 (11) The sale, to a retailer that has been issued a resale certificate pursuant to
34 section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except
35 resale as a casual sale;

36 (12) The sale, to a retailer that is not required to register under section 1754-B,
37 of tangible personal property for resale outside the State in the form of tangible
38 personal property, except resale as a casual sale;

1 (13) The sale, to a retailer that is not required to register under section 1754-B,
2 of a taxable service for resale outside the State, except resale as a casual sale; or

3 (14) The sale of repair parts used in the performance of repair services on
4 telecommunications equipment as defined in section 2551, subsection 19
5 pursuant to an extended service contract that entitles the purchaser to specific
6 benefits in the service of the telecommunications equipment for a specific
7 duration.

8 **SUMMARY**

9 Under the Sales and Use Tax Law, "retail sale" does not include the sale of
10 automobile parts used in the performance of repair services on an automobile pursuant to
11 an extended service contract. This bill specifies that this exclusion applies only to repair
12 parts used in repair services on automobiles weighing 10,000 pounds or less.