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January 9, 2017

**CORRECTED NOTICE OF LAW CHANGE
EFFECTIVE JANUARY 1, 2017
Fuel Used in Certain Commercial Activities**

This notice was previously sent with an incorrect Affidavit of Exemption. Effective immediately, Maine Revenue Services is replacing form STA-102 with form STA-126 (enclosed). This affidavit is to be used by those engaged in the Commercial Activities listed below. A copy must be retained in their customer file. The Affidavit does need not be returned to Maine Revenue Services.

The Maine Legislature enacted a sales tax exemption for the purchase of **fuel** used in Commercial Agricultural Production, Commercial Fishing, Commercial Aquacultural Production, or Commercial Wood Harvesting. The exemption applies to purchases made on or after January 1, 2017. This change may affect sales made by your business.

36 M.R.S. §2013(3) reads:

3. Purchases made free of tax with certificate. Sales tax need not be paid on the purchase of electricity, *fuel* or a single item of machinery or equipment if the purchaser has obtained a certificate from the assessor stating that the purchaser is engaged in commercial agricultural production, commercial fishing, commercial aquacultural production or commercial wood harvesting and authorizing the purchaser to purchase electricity, fuel or depreciable machinery and equipment without paying Maine sales tax.” *Emphasis added.*

Maine Revenue Services (MRS) is aware that the current commercial exemption cards list “fuel” as a non-exempt purchase. Due to the large number of commercial exemption cardholders, MRS will not be updating and resending the exemption cards at this time. The cards will be updated upon their next renewal.

The seller must retain an affidavit and a copy of the certificate of exemption of each person to whom exempt sales are made, but need not obtain a separate affidavit or copy of the certificate for each individual sale. Invoices must be appropriately marked to indicate that they are exempt sales. This requirement is satisfied by the purchaser’s certificate of exemption and the words “Maine Sales Tax Exempt.” Retailers must maintain a copy of the exemption card, affidavit, and appropriately marked sales invoices for a period of six years.