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May 2018

IMPORTANT NOTICE TO FUEL VENDORS

Maine Revenue Services (MRS) is issuing this notice to correct a discrepancy in prior guidance on the taxability of certain residential fuel sales.

A sales tax exemption applies to sales of fuel used for cooking and heating in “buildings designed and used for both human habitation and sleeping.”

The Reference Guide to the Sales and Use Tax Law identified fuel sold for use in *detached* garages as taxable. Instructional Bulletin No. 13, “Sales of Fuel and Utilities” identified garages as taxable, without providing a distinction for those that are attached to a residence.

Instructional Bulletin No. 13 has now been updated to clarify the different treatment of fuel used for heating attached versus detached garages. Fuel used to heat an attached garage qualifies for the sales tax exemption. Fuel used to heat a detached garage is subject to sales tax. In instances when the fuel is used for both taxable and exempt purposes, a prorated exemption may be applied based on the square footage of the residential area.

The revised Bulletin is available at maine.gov/revenue/salesuse/salestax/bulletinssales.htm.

Contact Maine Revenue Service with questions about this notice at (207) 624-9693 or via email at sales.tax@maine.gov. Assistance is available on weekdays from 8:00 AM to 5:00 PM, state holidays excepted.