



# MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION INSTRUCTIONAL BULLETIN NO. 21

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## FLORISTS

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This bulletin is intended solely as advice to assist persons in determining and complying with their legal obligations under Maine tax law. It is written in a relatively informal style and is intended to address issues commonly faced by florists.

Taxpayers are responsible for complying with all applicable tax statutes and rules. Although bulletins issued by Maine Revenue Services (“MRS”) do not have the same legal force and effect as rules, justifiable reliance upon this bulletin will be considered in mitigation of any penalties for any underpayment of tax due. This bulletin is current as of the last revision date shown at the end of the document.

The Sales and Use Tax Law is found in Part 3 of Title 36 of the Maine Revised Statutes (“M.R.S.”). Title 36, MRS rules, instructional bulletins and certificates referenced in this bulletin may be viewed on the MRS website, [maine.gov/revenue](http://maine.gov/revenue).

A sales tax is imposed on the value of all tangible personal property and taxable services sold at retail in Maine. Sales at retail by florists or other producers or sellers of flowers, wreaths, bouquets, potted plants, hospital baskets, funeral design, and any and all other flowers, plants, or merchandise sold by them, are sales of tangible personal property to which the tax applies.

### 1. FLORIST TELEGRAPHIC DELIVERY (FTD)

Where florists conduct transactions through a florist telegraphic delivery (FTD) association, or otherwise by telephone, an Internet website, or other means of communication with other florists, the following rules apply in the computation of the tax:

- On all orders taken by a Maine florist and transmitted to a second florist in Maine for delivery in the State, the initial sending florist is held liable for the tax on the total sale price of the flowers and other merchandise included in the sale.
- On all orders taken by a Maine florist and transmitted to a second florist located outside Maine, for delivery of flowers to a point outside Maine, the initial sending florist is held liable for the tax on the total sale price to the customer who placed the order.
- In cases where a Maine florist receives instructions from other florists located either within or outside of Maine, for the delivery of flowers within Maine, the receiving florist is not liable for the tax. In such instances, if the order originated in Maine, the tax will be payable

by the initial Maine florist who received that order and transmitted instructions to the second florist.

## 2. SALE PRICE

“Sale price” means the total amount of a retail sale valued in money, whether received in money or otherwise, including any consideration for services which are part of a retail sale. 36 M.R.S. § 1752(14). When tangible personal property is leased or rented, “sale price” is measured by the value of each individual lease or rental payment.

Charges for delivery of a product by a florist are taxable except as provided below, and should be included in the total sale price when computing the sales tax. This rule also applies to delivery charges in connection with FTD orders where the receiving florist provides the delivery.

Delivery charges are taxable unless the following three conditions are met:

- A. Shipment is made directly to the purchaser;
- B. The transportation charges are separately stated from other charges, such as “handling” or “COD” surcharges; and
- C. The transportation is by means of common carrier, contract carrier, or the United States Mail.

In most cases, a florist will be making deliveries using its own vehicles, rather than a common or contract carrier; therefore, shipping or delivery charges will ordinarily be part of the taxable sale price.

**Example:** A Maine florist receives an order from a customer and is instructed to send the order via FTD to an out-of-state address. The florist charges a service charge of \$3.50 on this transaction, to cover overhead costs and the services of the florist. Sales tax applies to the entire sale price, including the service charge, regardless of whether or not it is separately stated.

**Example:** A florist receives an order from a customer and is instructed to deliver the order to a local residence. The charge for the flowers is \$32.00. The florist charges a delivery fee of \$3.00. Sales tax applies to the entire \$35.00, regardless of whether the delivery fee is separately stated to the customer.

“Sale price” does not include discounts allowed and taken on sales. Coupons or rebates are issued by either the retailer, or by the manufacturer of the product. Each is treated differently for sales tax purposes.

When a retailer accepts a manufacturer’s coupon or rebate, the retailer does not recognize any loss in the profit made on the sale. The retailer is reimbursed for the face value of the coupon or rebate

by the manufacturer. In these situations, the coupon or rebate does not reduce the taxable sale price of the transaction.

When a retailer reduces the sale price of a product and the value of the discount is not recovered from any other party, the retailer's discount is deducted from the sale price before computing sales tax. Refer to Instructional Bulletin No. 39 ("Sale Price Upon Which Tax is Based") for more information.

### **3. RENTALS**

Florists may be engaged in renting items specifically purchased for rental (such as candelabras, plant stands, and arbors) or renting items for a short period of time that were originally purchased for resale (such as plants and vases).

For purchases of tangible personal property made by a florist specifically for rental on or before December 31, 2024, the florist should pay tax to the seller. A retailer that purchases tangible personal property for resale then removes the property from inventory to be rented out is generally required to pay use tax based on the retailer's cost of the property. Section 1758 of the Sales and Use Tax Law allows the retailer, in lieu of paying this use tax, to collect a sales tax on all the rental payments received if the rental qualifies as an "interim rental." In order to qualify as an interim rental, the property must have been purchased for resale, and the property cannot be rented to any one person for more than twelve (12) months.

The lease or rental of tangible personal property occurring on and after January 1, 2025, is subject to the sales tax. Florists who lease or rent tangible personal property are required to collect and remit the sales tax on each periodic lease or rental payment paid by the lessee. If an item which has been rented is later sold, the sale is also subject to sales tax.

**Example:** A florist rents out several vase centerpieces and a floral arch to a customer for an event held in June 2025. The florist charges \$500 for the entire rental. The florist must charge sales tax at the general rate on the singular payment of \$500 and report the tax in the corresponding filing period.

A florist may purchase tangible personal property to be leased or rented using a resale certificate on and after January 1, 2025. Purchases for resale are discussed in Section 4(A) below.

### **4. PURCHASES**

**A. PURCHASES FOR RESALE.** When a florist purchases tangible personal property for resale, the florist should provide the vendor with a properly completed resale certificate as provided in MRS Rule 301 ("Sales for Resale and Sales of Packaging Materials"). The certificate will enable the florist to purchase tangible personal property for resale without payment of sales tax. Only one certificate need be provided to each vendor to cover subsequent purchases. However, the florist must inform the vendor every time whether the purchase is for

resale and will be held responsible for the tax on any item purchased for resale but subsequently used by the florist.

When a florist creates an arrangement of flowers or plants, all items incorporated in the arrangement qualify as a purchase for resale by the florist. This includes, but is not limited to, pots, baskets or vases, balloons, florist tape and wire, ribbons and bows, cello wrap, floral foam, wire forms, enclosure cards, and card holders. The value of these items are considered part of the sale price of the arrangement being sold.

**Purchasers who avoid payment of tax through deliberate misuse of resale certificates may be subject to criminal prosecution.**

**B. PURCHASES FOR OWN USE.** On items the retailer uses rather than sells in the form of tangible personal property, tax should be paid to the supplier at the time of purchase. If tax was not paid to the supplier, the retailer should report and pay use tax on those items. Similarly, if the retailer has purchased items for resale without paying the sales tax to their vendor, and later withdraws them from inventory for use, use tax must be reported and paid at the time of withdrawal. Items used rather than resold may include tools and supplies.

**C. PURCHASES OF PACKAGING MATERIALS.** Certain packaging and shipping materials that go with the product to the customer may be purchased exempt from tax. See 36 M.R.S. § 1760(12-A). Examples include containers, boxes, crates, bags, cores, twines, tapes, bindings, wrappings, and labels. The florist should provide their vendor with a resale or exemption certificate as provided in MRS Rule 301 (“Sales for Resale and Sales of Packaging Materials”) when purchasing these items. See Instructional Bulletin No. 23 (“Packing, Packaging and Shipping Materials”) for more information.

## 5. ADDITIONAL INFORMATION

The information in this bulletin addresses some of the more common questions regarding the Sales and Use Tax Law faced by your business. It is not intended to be all inclusive. Requests for information on specific situations should be in writing, should contain full information as to the transaction in question and should be directed to:

**MAINE REVENUE SERVICES  
SALES, FUEL & SPECIAL TAX DIVISION  
P.O. BOX 1060  
AUGUSTA, ME 04332-1060  
[maine.gov/revenue](http://maine.gov/revenue)  
[sales.tax@maine.gov](mailto:sales.tax@maine.gov)**

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