



MAINE REVENUE SERVICES

SALES, FUEL & SPECIAL TAX DIVISION

INSTRUCTIONAL BULLETIN NO. 54

RESALE CERTIFICATES

This bulletin is intended solely as advice to assist persons in determining and complying with their obligations under Maine tax law. It is written in a relatively informal style and is intended to address issues commonly faced by taxpayers with respect to the administration and proper use of resale certificates.

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 and certificates referenced in this bulletin may be viewed on the MRS website, maine.gov/revenue. Particular attention should be given to MRS Rule 301 (“Sales for Resale and Sales of Packaging Materials”).

1. “RETAILER CERTIFICATE” VERSUS “RESALE CERTIFICATE”

MRS issues retailers two different certificates: “Retailer Certificate” and “Resale Certificate.” Any person who applies to MRS for a sales tax registration will be issued a “Retailer Certificate.” However, only certain qualifying persons will also receive a “Resale Certificate.”

Both certificates identify the retailer’s business name, physical location, and the industry in which the retailer operates. Examples of both the Retailer Certificate and the Resale Certificate are included at the end of this bulletin.

A. RETAILER CERTIFICATE. The Retailer Certificate is issued to all applicants for sales tax registration. This Retailer Certificate:

- Acknowledges that the person is registered with MRS for the collection and remittance of sales and use tax;
- Displays the sales tax registration number assigned to that person;
- Must be made available for inspection upon request of MRS or an authorized municipal official;
- Is valid until canceled by the taxpayer or revoked by MRS; and
- May not be transferred or assigned.

B. RESALE CERTIFICATE. A Resale Certificate is a separate and different document than the Retailer Certificate and is issued by MRS only to certain taxpayers that qualify. This certificate:

- Allows a retailer to make purchases for resale without paying the sales tax on such purchases;
- Displays the sales tax registration number and business type assigned to the certificate holder;
- Must be provided to a retailer's supplier to support a claim that a purchase is tax-free since the goods or services will be resold by the retailer;
- Is valid for a period of up to five (5) calendar years; and
- May not be transferred or assigned.

2. ISSUANCE AND RENEWAL OF RESALE CERTIFICATES

A. NEW RESALE CERTIFICATES. When a retailer first applies for a sales tax registration, if the applicant indicates they expect to make \$3,000 or more in gross sales over the next year, the retailer will be issued a Resale Certificate in addition to being issued a Retailer Certificate. Resale Certificates expire on December 31st. A Resale Certificate issued before October 1st is valid for the remainder of that calendar year and the following three (3) calendar years. A Resale Certificate issued on or after October 1st is valid for the remainder of that calendar year and the following four (4) calendar years.

B. RENEWAL OF RESALE CERTIFICATE. Whether Resale Certificates are renewed depends on a review performed by MRS before the certificate expires. Those active retailers who have reported \$3,000 or more in gross sales over the previous 12 months will have their Resale Certificate automatically renewed. Each renewed Resale Certificate will be valid for four (4) calendar years and will expire on December 31st of the fourth year from the date of issuance.

Retailers that have not reported \$3,000 or more gross sales during MRS's review period will not be eligible to receive a renewal of their Resale Certificate. However, they may submit a written request for a review of their account for renewal of their Resale Certificate in the following situations:

- (1)** The retailer has reported gross sales exceeding \$3,000 during a more recent 12-month period.

Example: MRS's review covered the 12 months beginning July 1, 2022, and ending June 30, 2023. A retailer did not receive a renewal since the reported gross sales during this period was \$2,000. However, the retailer's sales during December 2023 made its calendar year sales for 2023 amount to \$4,000. The retailer can request a review of its account in January 2024 after filing its December 2023 sales tax return and request a new Resale Certificate at that time.

(2) The retailer can explain why temporary extraordinary circumstances caused gross sales for the period to be less than \$3,000.

Example: MRS's review covered the 12 months beginning July 1, 2022, and ending June 30, 2023. A retailer did not receive a renewal since the sales during this period was \$1,000. On August 12, 2022, the retailer's business was destroyed by fire. The business reopened on July 1, 2023. The retailer can request its denial to be reconsidered based on this information.

C. INCORRECT INFORMATION ON RESALE CERTIFICATE AND RETAILER CERTIFICATE. If the information on either the Resale Certificate or Retailer Certificate is incorrect, such as spelling errors or an outdated mailing address, the retailer should contact MRS to correct the information. Please be aware that the business types available to be issued by MRS are limited and may not exactly reflect the business type of the purchaser.

3. RETAILERS WITH ANNUAL GROSS SALES OF LESS THAN \$3,000

In order to qualify for a Resale Certificate, a retailer must indicate they intend to annually report more than \$3,000 in gross sales on their sales tax returns. When a retailer does not report gross sales of \$3,000 or more, the retailer will not receive a Resale Certificate and must pay sales tax at the time of purchase even if the goods will be resold by the retailer.

When a retailer has paid sales tax on goods that have been placed in inventory for resale, the retailer may claim a credit for that sales tax on the sales tax return for that period. If the credit exceeds the amount due that period, the retailer may request to carry the credit to the next period or receive a refund. The line entitled "Credit for Sales Tax Paid on Goods Purchased for Resale" on the Sales and Use Tax Return must be used for this purpose.

A retailer that has been issued a Resale Certificate does not have the option of paying tax to its vendors and claiming a credit on the Sales and Use Tax Return for the tax paid when purchasing items for resale that are of the type or types ordinarily purchased for resale by that purchaser. In the event a retailer that has been issued a Resale Certificate pays tax when purchasing items for resale, that retailer may apply for a refund of the tax paid through the Maine Tax Portal or by submitting a Sales Tax Refund Application (APP-153).

4. RESPONSIBILITIES OF A RETAILER AS A "PURCHASER"

The retailer must retain their original MRS-issued Resale Certificate with their Retailer Certificate. When a person purchases goods and claims to the supplier that the purchase is tax-free because the goods are being purchased for resale, that person must document that claim by providing the supplier with a properly completed and signed copy of its valid Resale Certificate. Without this documentation, the supplier is required to collect sales tax, if applicable, on the products being purchased.

If a retailer purchases items for resale on a continuous basis from a particular supplier, the retailer is not required to supply a copy of the Resale Certificate for each individual sale. Instead, the

retailer can use its current valid Resale Certificate on file with the supplier as a blanket Resale Certificate to cover all subsequent purchases for resale, as long as the Resale Certificate remains valid. The retailer must state to the supplier at the time of each sale that the particular purchase is tax-free for resale and is covered by the Resale Certificate on file. When a new Resale Certificate is issued, the retailer is responsible for providing copies to its suppliers to replace the Resale Certificate on file. Failure to do so will require the supplier to charge tax on purchases until a valid Resale Certificate is received.

For additional details on documenting sales for resale, see MRS Rule 301 (“Sales for Resale and Sales of Packaging Materials”).

5. RESPONSIBILITIES OF A RETAILER AS A “SELLER”

When a retailer receives Resale Certificates from its customers, the retailer must retain these Resale Certificates on file for a minimum of six (6) years. A customer cannot support a claim that it is purchasing for resale by simply providing a sales tax registration number. Claims for any tax-free purchases must be properly documented.

Customers who claim that their purchase is for resale must document that claim with a valid Resale Certificate issued by MRS. The Resale Certificate must be properly completed and signed by the customer certifying that they will resell the merchandise being purchased. If the date of the sale falls within the effective dates on the Resale Certificate, the Resale Certificate has been properly completed and signed, and the items purchased are items typically purchased for resale by the customer’s business type, the good faith of the seller will not be questioned. However, if the seller is aware of the fact that the customer is no longer in business or has reason to believe that the goods purchased will not be resold, the seller will be held responsible for the sales tax applicable to that transaction.

For additional details on documenting sales for resale, see MRS Rule 301 (“Sales for Resale and Sales of Packaging Materials”).

6. SALES TO OUT-OF-STATE RETAILERS THAT DO NOT HAVE A MAINE SALES TAX ACCOUNT

Maine retailers sometimes make sales to nonresidents who claim to be engaged in a retail business out-of-state. Sales for resale to these customers may be made tax-free but require some form of supporting documentation. The multijurisdictional “Uniform Sales & Use Tax Certificate” issued by the Multistate Tax Commission (“MTC”) is an acceptable “Resale Certificate” for these customers to use. A copy of this form can be found on MTC’s website, mtc.gov. On this form, the customer confirms it is in a retail business and provides the sales tax registration number issued by its home state.

A copy of a “Resale Certificate” or similar document issued by the purchaser’s home state is **not** valid in Maine. See MRS Rule 301 (“Sales for Resale and Sales of Packaging Materials”) for acceptable alternative documentation that would support tax-free sales to a nonresident retailer.

If an out-of-state retailer does have a Maine Sales Tax account but is not entitled to receive a Resale Certificate, it must pay the sales tax on the purchase of the merchandise and request a credit on its next sales tax return filed with MRS as described above.

7. 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 must be in writing, contain full information as to the transaction in question, and be directed to:

**MAINE REVENUE SERVICES
SALES, FUEL & SPECIAL TAX DIVISION
P.O. BOX 1060
AUGUSTA, ME 04332-1060
maine.gov/revenue
sales.tax@maine.gov**

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Sample of a Retailer Certificate

**Do not give out the original. This certificate remains in the Retailer's business records.
Do not confuse this with the "Resale Certificate."**

Retailer Certificate

This Certificate is issued to

Retailer's business name will be printed here.

Retailer's name and address will be printed here.

Date Retailer Certificate issued.

How frequently the Retailer is required to file their sales tax returns.

Account Number:
Date Effective: August 21, 2023
Filing Frequency: Quarterly
Business Description: Book Store

Retailer's Sales Tax Account ID

Retailer's industry type.

This certificate is issued under the provisions of 36 M.R.S. § 1754(B).

This certificate must be available for inspection by the State Tax Assessor, the Assessor's representatives and agents and authorized municipal officials. This retailer's certificate verifies that this retailer and this retail location hold a valid Maine sales tax account and is authorized to collect and remit the sales tax on behalf of the State of Maine. This certificate has no expiration date. If you cease to do business in Maine please return this certificate to Maine Revenue Services.

This certificate is non-transferable and must be returned to Maine Revenue Services when operations cease.

Sample of a Resale Certificate

**Do not give out the original; make copies to distribute when you purchase for resale.
Do not confuse this with the “Retailer Certificate.”**

Resale Certificate

Purchaser's business name will be printed here.

Valid dates of
Resale Certificate.

Purchaser's name and
address will be printed
here.

Purchaser's Resale
Certificate Number

Certificate Number:
Date Effective: August 15, 2025
Valid Through: December 31, 2029
Business Description: Grocery

Purchaser's
industry type.

This is to certify that the above named business is authorized to purchase during the period indicated on this certificate: (1) tangible personal property to be resold in the form of tangible personal property, or (2) a taxable service to be resold as the same taxable service, or (3) tangible personal property for lease or rental as tangible personal property. **This certificate cannot be reassigned or transferred and can only be used by the above business or its authorized employees. This certificate is void if the business has ceased operating or if the certificate has been altered.**

I understand that if the items purchased for resale are not resold but are instead used by the purchaser for its own purpose, the purchaser will be held liable for Use Tax.

Purchaser enters a list of items to be purchased for resale.

Purchase Description:

Enter the Supplier's name.

Purchaser signs and dates the Resale Certificate.

Presented to: (Insert name of seller)

Date:

Presented By: (Purchaser)

Date:

This certificate is non-transferable and must be returned to Maine Revenue Services when operations cease.