

Enactment of Bureau of Revenue Services Rule 326

BASIS STATEMENT (5 M.R.S. § 8052(5)):

Maine Revenue Services (MRS) is adopting Rule 326 (“Leases and Rentals of Tangible Personal Property”) to implement recent legislative changes. See P.L. 2023, c. 643, Pt. H and P.L. 2023, c. 673 (generally imposing sales tax on leases and rentals). This new rule will provide definitions, explanations, and examples of taxable and non-taxable transactions related to the shift of the imposition of sales or use tax on leased property from being due from the lessor upfront on the entire purchase price of the rental property to instead requiring the lessor to collect sales tax from the lessee on each lease or rental payment, beginning January 1, 2025. The rule also addresses other potential sales and use tax issues related to such transactions, including software licenses; sourcing of leases and rentals; and the calculation of sale price for leases and rentals.

DISCUSSION OF COMMENTS RECEIVED AND RATIONALE FOR ADOPTING OR FAILING TO ADOPT SUGGESTED CHANGES (5 M.R.S. § 8052(5)):

CHANGES MADE IN RESPONSE TO COMMENTS

MRS made technical changes to the proposed rule in response to one comment received. To provide certain lessors additional notice of the treatment of a terminal rental adjustment clause (TRAC) lease in accordance with the new statutory change, MRS amended the definition of “lease or rental” under section 1, subsection 2, to read:

‘Lease or rental’ also includes an agreement entered into on or after January 1, 2026, covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1) and is also known as a terminal rental adjustment clause (TRAC) lease.

MRS also amended section 4, subsection 1, by striking “~~A lease ‘in lieu of purchase’ does not include a so-called T.R.A.C. (Terminal Rental Adjustment Clause) lease.~~” MRS also struck the proposed section 4, subsection 1, paragraph C, because this language was carried over from prior Sales Tax guidance documents on TRAC leases that MRS intends to update after the adoption of this new rule.

MRS has determined that the final rule is not substantially different from the proposed rule and public comments on the changes are not required.

DISCUSSION OF COMMENTS RECEIVED AND RATIONALE FOR ADOPTING OR FAILING TO ADOPT SUGGESTED CHANGES (5 M.R.S. § 8052(5)):

PUBLIC COMMENT PERIOD

The proposed rule was posted for public comment on March 19, 2025 with an original comment deadline of April 21, 2025. After a sufficient number of requests for a public hearing, the public hearing was held on May 5, 2025. Due to the public hearing, the period for submitting written comments was extended to May 16, 2025.

LIST OF COMMENTERS

- American Automobile Leasing Association (“AALA”) by David Rosen, Partner, Akerman, LLP; public hearing comments only
- Archipelago Law, LLP by Twain Braden, Principal; written comments only
- HospitalityMaine and Maine Tourism Association (“HM/MTA”) by Nate Cloutier, Director of Government Affairs; written comments only
- Maine Golf by Brian Bickford, Executive Director; written and public hearing comments
- Maine Motor Transport Association (“MMTA”) by Brian Parke, President and CEO; written and public hearing comments
- Maine State Chamber of Commerce (“MESCC”) by Linda Caprara, Vice President of Advocacy; written and public hearing comments
- Michael Hennessey (self); written comments only
- Ski Maine by Dirk Gouwens, Executive Director; public hearing comments only

SUMMARY OF COMMENTS AND MRS RESPONSES

The following summarizes by topic the comments received during the public comment period, including at the public hearing, and provides MRS responses, including the rationale for adopting or not adopting suggested changes.

Topic #1: One commenter stated that the proposed rule would result in MRS changing its position regarding certain terminal rental adjustment clause (TRAC) leases without sufficient notice, and asked that the proposed rule apply to TRAC leases only prospectively.

AALA Comments:

I work with a large number of motor vehicle lessors, and serve as outside counsel to the American Automotive Leasing Association. I have a very limited and a bit

esoteric comment about the treatment of TRAC leases, which stands for “terminal rental adjustment clause.” A large number of commercial motor vehicle leases are structured as TRAC leases, and the TRAC provision basically allows for the amount payable under a commercial motor vehicle lease to be adjusted depending on how much the vehicle sells for at the end of the lease term compared to what the book value of that vehicle is on the lessor’s books. For many decades, MRS has taken the position that a TRAC lease is a finance lease for sales tax purposes, I think going back at least three or four decades, and also that position was enshrined by the Maine Supreme Judicial Court in the case of *Truck Lease Corp v. Cozy Harbor Seafood*, 746 A.2d 916, that they’re leases in lieu of sale. In the proposed regulation, it appears that MRS would like to switch that position and take the position that TRAC leases are true leases, operating leases, which conforms to federal income tax treatment and the treatment of these leases in every other state in the country, which makes sense. The issue is that, and this goes with some of the other comments made, that would be a substantive change that’s not currently in the law, and lessors of vehicles under TRAC leases have been continuing to pay sales tax up-front with respect to automobiles since January 1, 2025, so to the extent MRS desires to change that position that’s been adopted by the Maine Supreme Judicial Court, we would recommend to do so on a prospective basis beginning with a certain future date so that commercial lessors can change their systems on the knowledge that automobiles leased without a TRAC clause would be taxed up-front on the total lease payment, whereas TRAC leases of automobiles would not be.

MRS Response to Topic #1 Comments:

This proposed change was accepted. See explanation under “Changes Made in Response to Comments” above.

Topic #2: Two commenters expressed concern or uncertainty regarding the taxability of certain software licenses.

Maine Golf Comments:

When it comes to systems, Maine Golf pays for licensed software to run a lot of its tournaments. It’s not downloaded onto computers, it rests in the cloud, so we’re trying to figure out the taxes around systems like that. Every club in the state pretty much has a tee sheet and point of sale system that is also located in the

cloud for many and others it would actually be downloaded onto a computer, and we're trying to figure out where that line is for taxable/nontaxable for systems.

MESCC Comments:

Shifting the tax from the lessor to the lessee will become a significant administrative nightmare for multi-state companies that have to apportion the cost of software amongst numerous locations. This rule proposes to tax all of those software subscriptions as if they were utilized in Maine. This would subject Maine companies to unfair taxation. While the rule states that this presumption may be overcome by establishing that the prewritten software program license was used exclusively by the customer at a location outside of Maine, it says that businesses which are headquartered in Maine and bill all purchases of prewritten software programs to Maine, would then be required to pay tax on all those purchases.

It is not clear if non-custom software has custom modifications it is assumed to be custom software. We feel if companies do modify any non-custom software, it should be considered custom software and not subject to sales and use tax. We feel this needs to be clarified.

MRS Response to Topic #2 Comments:

Maine Golf's comment requests guidance on the taxability of software that is "not downloaded onto computers," but "rests in the cloud." Proposed Rule 326 § 9.3.B provides: "Prewritten computer software that is sold, rented, leased, or licensed for consideration where the computer software is remotely accessed over the Internet from an out-of-state server, over private or public networks, or through wireless media, and no software is downloadable onto the licensee's computer or device, is not considered a retail sale of a product transferred electronically and is not subject to Maine sales and use tax."

MESCC's comment states that the proposed rule would "tax all of those software subscriptions [used by multi-state companies at numerous locations] as if they were utilized in Maine." For context, a taxable sale occurs when the customer receives the purchased item. 36 M.R.S. § 1819. Prewritten software, as a digital product transferred electronically, is received by the customer when it is downloadable. Proposed Rule 326 § 9.1. If the software license allows the purchaser to download the software in Maine, and the sale is billed to a location in Maine, the software is presumed to be downloaded and used in Maine.

However, Proposed Rule 326 § 9.5 provides: "This presumption may be overcome by establishing that the prewritten software program license was used exclusively by the customer

at a location outside of Maine. For example, if a business headquartered in Maine bills all purchases of prewritten software programs to Maine, then it is required to pay tax on all those purchases. The business may apply to MRS for a refund of the tax due on licenses not used in Maine under 36 M.R.S. § 2012.” This result is required by the Sales and Use Tax Law provisions that define “lease or rental” and state requirements for sourcing sales and refunding tax paid on goods removed from Maine. 36 M.R.S. §§ 1752(5-D), 1819, 2012.

The comment also asks whether prewritten computer software that is subsequently modified is taxable. Proposed Rule 326 § 1.5 provides: “A prewritten software program, or a prewritten part of the computer software that is modified or enhanced to any degree, where the modification or enhancement is designed and developed to the specifications of a specific purchaser, remains a prewritten software program. However, when the value of such modification or enhancement to the prewritten software program is separately stated from that of the prewritten software program, such modification or enhancement is considered custom computer software.”

The Sales, Fuel & Special Tax Division has received requests for guidance on how to apply the sales tax on leases or rentals to individual transactions involving computer software. Because MRS has responded to these individual requests, referencing the underlying statute and not the proposed rule, such communications are unrelated to the proposed rule and are not restated here.

MRS has, therefore, made no changes to the final rule related to these comments.

Topic #3: One commenter expressed support for the proposed rule defining automobile to exclude cargo vans.

MMTA Comments:

The main issue we have had with the change to the statute last legislative session was the impact on the short-term rental of cargo vans. This rule addresses the inadvertent inclusion of cargo vans in the definition of an “automobile” when it comes to short-term rentals through Section 7.1. Specifically, the sentence that reads: “The short-term rental rate does not apply to the rental of a cargo van” fixes our concern going forward. We want to thank Maine Revenue Services for understanding our issue and for acknowledging that the intent of last year’s legislation was not to change the effective tax rate for cargo vans.

MRS Response to Topic #3 Comments:

MRS acknowledges and thanks the commentor for this feedback.

MRS has made no changes to the final rule related to these comments.

Topic #4: Two commenters requested that MRS add a line to the Sales Tax Return breaking out leases or rentals from other sales to determine fiscal impact, improve taxpayer compliance, or simplify reporting for retailers.

Maine Golf Comments:

Will the Sales and Use Tax Return be amended to include a line for taxes generated by leases and rentals of tangible personal property under Rule 326? On the forms from the clubs that are starting to report their taxes, they're a little confused as to how to file it because it looks like it's lumped in with everything. Maine's golf courses feel like the sales and use tax on golf carts is a significant number and therefore we'd like to track it for auditable purposes. If we are going to be subject to sales and use tax under Rule 326, we want to ensure all golf courses are paying their fair share of taxes under the Rule. Additionally, lumping golf cart sales tax into Line 6 is lost with all other taxes subject to 5.5%. We didn't know if there might be a benefit in creating something for lease stream, revenue generated from this new tax, so that we can actually figure out the fiscal note for the impact to the industry. Maine Golf and its 128 courses throughout Maine would like to be able to track the sales and use tax on tangible personal property so we are in favor of a change to the Sales and Use Tax Return.

HM/MTA Comments:

Current remittance forms do not clearly reflect or support the new treatment of lease streams under Section 2.3. Businesses cannot easily distinguish or report individual rental periods under the existing filing structure, increasing confusion and potential errors. We recommend updated guidance and remittance tools.

MRS Response to Topic #4 Comments:

The proposed rule is not intended to address the filing of Maine tax returns. MRS generally will add a line to the return only to collect information necessary to administer the tax. A lease or rental is a sale, generally taxable at the rate of 5.5%, and therefore is not broken out separately on the return.

MRS has, therefore, made no changes to the final rule related to these comments.

Topic #5: Two commenters expressed concern or uncertainty regarding the refund of sales tax paid on qualifying lease or rental property before January 1, 2025, under 36 M.R.S. § 2022.

Maine Golf Comments:

I didn't see it in Rule 326 but I know it's in LD 2000, the refund opportunity for past payment of taxes in a window and the recoupment of those taxes in a forward-looking window. We're just trying to figure out how that piece will work and how to track it, so there's just some technical questions around that.

Ski Maine Comments:

The current process for the refund is going back two years, so, items you purchased from 2023 to January 1, 2025—you would be able to get that tax that you paid back based on the income you receive for tax payments from January 1, 2025, through January 1, 2027. In the ski business, a ski area may buy 500 pairs of ski poles of different sizes in a particular year. Well, all of those poles then go into a giant bin, and when someone rents them, they just grab a couple poles. They're not in the particular pair they were purchased in. How do you know that those are the ski poles that you purchased in the first year, or whether you purchased them five years ago or two years ago, and how do you know how much money that pair of ski poles generated in rent? How are we then going to get a refund for that 2-year period when we have no idea how much revenue in taxes that particular piece of equipment has collected? So that's a serious concern for us and we think there needs to be some kind of simplification process for that, perhaps anything you purchase that's less than a certain value, let's say \$250 or less in the beginning, that would be exempt, so anything you purchase during that 2-year window, you would not have to then justify how much tax you took in for that. This is not just about us, think about bowling shoes for instance—how do you track that amount of money that's required to marry the two together?

MRS Response to Topic #5 Comments:

The proposed rule is not intended to address refund procedures. MRS will provide forms and guidance for the specified refund provision, 36 M.R.S. § 2022, prior to its application period beginning January 1, 2027.

MRS has, therefore, made no changes to the final rule related to these comments.

Topic #6: Several commentors asked questions or offered suggestions that were unrelated to the proposed rule, and instead concerned the law enacted by the 131st Legislature imposing sales tax on the lease or rental of tangible personal property. P.L. 2023, c. 643, Pt. H; P.L. 2023, c. 673. These comments also relate to MRS's interpretation, enforcement, and administration of the statute. In particular, these comments: (1) state that the proposed rule will create new burdens on taxpayers; (2) ask MRS to determine the taxability of particular lease or rental transactions; (3) ask MRS to pause the imposition of sales tax on certain leases or rentals due to pending legislation; (4) ask how MRS will enforce sales tax on leases and rentals for non-compliant retailers; and (5) state that public notice of the law change was inadequate.

Archipelago Law, LLP Comments:

I'm getting questions from clients about the proposed new rule. Such as, would this apply to companies like bike rentals? These bike rental companies – unlike the city bikes in Portland – have persons engaged in explaining their operation, which could mean they're not required under the rule. But then of course there are those who then ride away on bikes unassisted for a few hours. Would those rentals be subject to the new tax? When might this take effect, 2026?

Maine Golf Comments:

I broke this into taxable and nontaxable rental of a golf cart. A lot of golf carts also offer a membership, a season long membership, so I was looking at whether cart memberships are taxable. A lot of times, memberships are purchased in a prior year, so I wanted to get my arms around the timing of something like that. A lot of people rent buckets of balls and we're trying to figure out if that's taxable. Balls are often purchased up-front by the vendor, for example, I buy 9,000 golf balls to run our driving range and pay taxes; is that now tax exempt up-front and then taxable on the back end potentially? Golf equipment is very similar. I've only mentioned three or four items—I've been reviewing other states and they have a list of 70 items at a golf course, and I was just trying to get a sense of what the list would include and not include. I have some clubs that actually bundle their rates: greens fees which are not taxable and golf carts which are taxable, but a lot of courses are not walkable, therefore they pay a flat fee. Just trying to get some clearance on what portion of a bundled fee would be taxable. A lot of golf courses hold weddings, and there's a lot of equipment associated with those and we're trying to get a sense of what's taxable.

The State of Maine has a lot of municipal golf courses, so there's a little confusion as to whether they have to charge sales tax for a cart rental. If they are

taxable, which I believe them to be, they're wondering if they have to charge tax as a municipal—we also have a few nonprofit golf courses in the State of Maine. We're trying to figure out whether a golf course determined by the IRS to be 501(c)(3) is subject to sales tax when it comes to cart rentals and things like that. We ran our first event this week, and we had a couple of rules officials carts, and they charged us sales tax, and we're a nonprofit—do we pay that? I figure there's the collection side, and then the purchase side.

Timing and clarity—we're sitting here in May, it was passed in June, so we've kind of got a little bit of a learning curve here in the industry, and I'm just trying to figure out what happens to some of the courses that may not have collected the appropriate tax in that 5-month window.

Ski Maine Comments:

As we go across the board we see things like wedding venues and conventions and hotels. Every hotel out there is going to rent you tables and chairs and things like that—is all of that stuff taxable? How do we go forward with this when people are unaware of it.

I will say that, along with Maine Golf, roughly half of our ski areas are either 501(c)(3) or municipally owned, so they are not for-profit businesses. Roughly 50/50 in the state. So, we have that same question about some of the 501(c)(3)s and they're a little bit confused about who gets taxed and how it gets taxed and why. I've tried to explain that, while maybe they'd be exempt from paying tax for something that supports their mission, they still need to collect tax.

What are the plans for MRS enforcement of this? Clearly this rule went into effect January 1, 2025, yet so many businesses know nothing about it and are not collecting sales tax. There's so little knowledge about this, including big businesses, and also venues that do large events, that rent a lot of equipment, for meetings or conventions or things like weddings.

There's a lot of communication confusion about this. And I've heard from many other businesses that the lack of communication about this whole process has been very difficult for us to basically fold into our business cycle as we've gone through it. We were reflected back to a memo on the MRS website dated back to late August I think—but unless you're going through all of that stuff, you really don't see it. Nobody that I'm aware got a specific notice from MRS that there was a change to this lease stream taxation policy. This was a huge change for a

lot of businesses, so it would seem to me that there should've been a little bit better communication, like a letter to businesses that are paying tax.

Michael Hennessey Comments:

Section 6.3 states that the rental of safe deposit boxes, self-storage units, or baggage lockers is not a rental of tangible personal property but instead constitutes a rental of storage space at the business location of the lessor and is not subject to tax. Is it the intent to exempt a unit rental within a multiple unit building which would already be taxed as real estate? The loophole; I can read this exemption as making a separate detached shed used for storage on a site with multiple single storage sheds as exempt. I bet the owner I am already taxing for multiple rented storage sheds as personal property will read it that way.

MESCC Comments:

We would ask that the rule be paused as there is pending legislation before the Maine Legislature, LD 1330, “An Act to Clarify that a Business’s License or Subscription to Use Software is Not Considered a Lease or Rental for Purposes of the Sales and Use Tax” that would change the way the lease stream is applied to business-to-business transactions and would exempt these transactions. Moving forward without knowing the outcome of that bill would potentially have a significant financial impact on Maine consumers and Maine businesses.

There’s things that folks are calling us now on with respect to leases of solar equipment. Homeowners lease solar equipment—is that taxable now? You’re getting into a whole wide range of things with this law, potentially.

While the law has taken effect January 1, there’s been no portal on MRS’s website or notification to Maine businesses or the public at large that these transactions will now be taxable.

HM/MTA Comments:

While this definition mirrors 36 M.R.S. § 1752(5-D), its literal application now sweeps in everyday equipment commonly used at hospitality venues—golf carts, ski boots, bicycles, bowling shoes, tents, chairs, AV equipment, and more. These items have traditionally been subject to a one-time sales tax at purchase, not taxed repeatedly with each customer use. This additional tax burden on customers is

hitting our industries at a time when we are struggling due to uncertainty about future tourism seasons.

The passage of LD 1211 would expressly exclude “tangible personal property used solely at the lessor’s primary business location” from the definition of lease or rental. This provision reaffirms the longstanding policy of taxing such items once at purchase rather than treating each customer use as a separate taxable event. We urge Maine Revenue Services to adopt this same exemption within Rule 326 to remain consistent with legislative intent and avoid imposing new burdens on seasonal and service-based businesses.

Section 2.3 treats “each time period for which a lease or rental payment is charged” as a separate taxable sale. As a result: Administrative Complexity: Small and seasonal businesses—especially those without computerized POS systems—must reconfigure operations to calculate and remit tax on each individual day, half-day, or hour of equipment use. Compliance Risk: The final text of Rule 326 was not available before peak season for many operators, putting them at risk of inadvertent noncompliance. We recommend that implementation and enforcement of Section 2.3 be deferred for on-premises equipment until updated guidance and remittance tools are available. Alternatively, allow a “one-time tax at purchase” option for tangible property used exclusively at the lessor’s business location.

MRS Response to Topic #6 Comments:

(1) HM/MTA’s comment about new burdens relates to the law enacted by the 131st Legislature imposing sales tax on the lease or rental of tangible personal property. P.L. 2023, c. 643, Pt. H; P.L. 2023, c. 673. Because the proposed rule reflects the current statutory obligation to collect sales tax on leases or rentals, it does not create new tax burdens.

(2) Several comments relate to the definitions of “tangible personal property” and “lease or rental,” the application of sales tax exemptions to leases or rentals, or the effective date of the law change. 36 M.R.S. §§ 1752(5-D), (17), 1760; P.L. 2023, c. 643, Pt. H; P.L. 2023, c. 673. The proposed rule does not alter the requirements of the statute, but instead reflects its plain meaning.

Effective January 1, 2025, sales tax is imposed on the retail “lease or rental” of “tangible personal property,” meaning “personal property that may be seen, weighed, measured, felt, touched or *in any other manner perceived by the senses.*” 36 M.R.S. § 1752(17) (emphasis added). “Tangible personal property” includes electricity, prewritten computer software, and any

product transferred electronically, but excludes “rights and credits, insurance policies, bills of exchange, stocks and bonds, and similar evidences of indebtedness or ownership.” *Id.*

A nonprofit or municipality that is required to register as a retailer under 36 M.R.S. § 1754-B is required to collect and remit sales tax on all Maine retail sales, including leases or rentals, unless the item or purchaser is exempt under 36 M.R.S. § 1760 (e.g., a political subdivision of the State or a 501(c)(3) organization). Section 1760 applies to a lease or rental in the same manner as to a sale.

MRS provides informal guidance on its website at maine.gov/revenue and by correspondence. Industry-specific questions should be directed to the Sales, Fuel & Special Tax Division at sales.tax@maine.gov. The Division has received other requests by phone and email for guidance on how to apply the sales tax on leases or rentals to particular transactions. Because MRS has responded to these individual requests, referencing the underlying statute and not the proposed rule, such communications are unrelated to the proposed rule and are not restated here. Future bulletins will contain select examples of taxable and non-taxable leased or rented items.

(3) Two comments by HM/MTA and MESCC request that the proposed rule be amended or paused to defer the imposition of sales tax on certain leases or rentals, effective since January 1, 2025. P.L. 2023, c. 643, Pt. H; P.L. 2023, c. 673. The 131st Legislature amended the term “sale” to include “leases or rentals,” and to state that “[e]ach time period for which a lease or rental payment is charged is considered a separate sale.” 36 M.R.S. § 1752(13). The proposed rule interprets “sale” to have the same meaning as in statute.

HM/MTA’s comment requested that the proposed rule be amended to include language from pending legislation that would exempt a lease or rental “used solely at the lessor’s primary business location,” and that Proposed Rule 326 § 2.3 be temporarily paused for on-premises equipment. Alternatively, the comment proposed to “allow a ‘one-time tax at purchase’ option for tangible property used exclusively at the lessor’s business location.” MESCC’s comment requested the proposed rule be paused due to pending legislation that would amend the definition of “lease or rental” to exclude the sale of a software license to a business.

These suggestions would result in reversion to prior law, where sales tax was not imposed on leases or rentals. Both requests to pause the rule or the imposition of sales tax on certain leases or rentals were justified by referencing ongoing legislative activity. MRS cannot conduct rulemaking on the basis of pending legislation—rules may be adopted only to implement passed laws.

(4) Maine Golf and Ski Maine’s comments about enforcement are unrelated to the proposed rule, which does not address enforcement policy or audit protocols.

(5) Multiple commentors expressed concerns related to the legislative process that resulted in the law change. See 131st Leg. LD 2000, LD 2214; P.L. 2023, c. 643, Pt. H; P.L. 2023, c. 673. These communications are unrelated to the proposed rule and are not restated here.

MRS notes the following public notice of the new law imposing sales tax on leases or rentals, effective January 1, 2025, from when it was signed into law on April 22, 2024, to April 4, 2025:

April 2024:

- April 22 – Governor Mills signs the supplemental budget into law (P.L. 2023, c. 643).
- April 24 – Checkpoint Daily Digest announces the passage of the supplemental budget, identifies the sales and use tax sourcing provisions regarding leases and rentals.
- April 26 – Governor Mills signs LD 2000, “An Act to Change the Taxation of Rental Tangible Personal Property to Make It Consistent with the Predominant Method in Other States’ Rental Industry Laws for Sales and Use Tax,” into law (P.L. 2023, c. 673).

July 2024:

- MRS begins receiving approximately one email per week regarding lease and rental changes in sales.tax@maine.gov.

August 2024:

- August 7 – 2024-2025 Annual Regulatory Agenda posted to Secretary of State’s website, including proposed updates to MRS Rules 301 (Sales for Resale and Sales of Packaging Materials), 308 (Direct Payment Permits), and 318 (Instrumentalities of Interstate or Foreign Commerce), as well as Proposed New Rule 326 (Leases and Rentals of Tangible Personal Property), all related to the lease or rental legislative changes.
- August 13 – Legislative Summary of 2024 Tax Law Changes, including the lease or rental sales tax changes, posted to MRS website, announced in MRS Tax Alert Vol. 34, Issue 13, August 2024 - #2.
- August 27 – Sales Tax General Informational Bulletin (GIB) #114, summarizing lease or rental changes, posted to MRS website, announced in MRS Tax Alert Vol. 34, Issue 14, August 2024 - #3. Emailed to retailers with Maine Tax Portal (MTP) accounts, mailed to waived accounts. Picked up by Deloitte’s State Tax Matters and included in Checkpoint’s Daily Update (Aug. 29).

September 2024:

- September 11 – MRS Sales, Fuel & Special Tax Division Business Guide to Sales, Use, and Service Provider Tax updated to refer to lease stream changes. The link to the Business Guide is provided to new sales, use and service provider tax accounts upon registration. The Business Guide is also posted to MRS website.

- September 18 – Maine Tax Symposium. One presentation focused entirely on lease or rental changes, and sales.tax@maine.gov received approximately 20 emails immediately following the symposium segment. Slides remain available for viewing on MRS website.
- September 23 – MRS Instructional Bulletin No. 23, “Florists,” updated due to lease or rental changes and published to MRS website.

November 2024:

- Frequency of emails sent to sales.tax@maine.gov regarding lease stream changes increases.
- November 7 – MRS Instructional Bulletin No. 55, “Service Provider Tax,” updated due to lease or rental changes and published to MRS website.
- November 12 – Division Director Judy Methot & Deputy Director Alaina Patterson present to the Maine chapter of the American Rental Association on the impending lease stream changes.

December 2024:

- December 6 – Proposed amendments to MRS Rule 308 (Direct Payment Permits), related to the impending lease stream changes, published to MRS website and announced in MRS Tax Alert Vol. 34, Issue 18, December 2024.
- December 12 – Division Director Judy Methot & Deputy Director Alaina Patterson present to the Maine Motor Transportation Authority regarding the impending lease stream changes.
- December 17 – Lease and Rental Notice emailed to sales and use tax retailers with business codes related to the lease or rental of tangible personal property. The Notice is also published to MRS Sales Tax / Guidance Documents webpage.
- December 19 – Lease and Rental Notice included in Checkpoint Daily Update and TaxNotes.

January 2025:

- January 10 – Proposed amendments to MRS Rules 301 (Sales for Resale and Sales of Packaging Materials), and 318 (Instrumentalities of Interstate or Foreign Commerce), related to the lease stream changes were published to MRS website and announced in MRS Tax Alert Vol. 35, Issue 1, January 2025.

February 2025:

- February 12 – Amendments adopted to MRS Rule 308 (Direct Payment Permits), due to lease or rental changes, effective February 15, 2025. Announced in MRS Tax Alert Vol. 35, Issue 3, February 2025. Included in Checkpoint Daily Update (Feb. 13).
- February 27 – Amendments adopted to MRS Rules 301 (Sales for Resale and Sales of Packaging Materials), and 318 (Instrumentalities of Interstate or Foreign Commerce), due to lease or rental changes, effective February 25, 2025. Announced in MRS Tax Alert Vol. 35, Issue 4, February 2025 - #2. Included in Checkpoint Daily Update (Feb. 28).

March 2025:

- March 19 – MRS Proposed New Rule 326 (Leases and Rentals of Tangible Personal Property), published on MRS website for public comment. Announced in MRS Tax Alert Vol. 35, Issue 5, March 2025.

April 2025:

- April 4 – Division Director Judy Methot and Deputy Director Alaina Patterson present to the Maine Marine Trade Association on the effect of lease or rental changes on the boating industry.

The changes were also reported by the following third-party publications:

- Baker Newman Noyes:	Dec. 12, 2024
- BDO:	Aug. 16, 2024
- Bloomberg:	Dec. 19, 2024
- Checkpoint:	(2024): Apr. 24, Jun. 12, Aug. 29, Dec. 19. (2025): Feb. 13, 28
- Deloitte:	(2024): Apr. 26, Aug. 30. (2025): Jan. 10, Mar. 28
- ET Search:	Nov. 12, 2024
- Lumsden McCormick:	Oct. 11, 2024
- National Law Review:	Dec. 3, 2024
- Pierce Atwood:	Dec. 3, 2024
- Tax Connections:	Sep. 24, 2024
- TaxNotes:	Dec. 19, 2024
- Thompson Tax:	Sep. 17, 2024

MRS has, therefore, made no changes to the final rule related to these comments.

ADDITIONAL CHANGE MADE

Separate and apart from any comments received, MRS has, on its own, also made one additional change by omitting the following sentence under section 7 of the proposed rule draft to more closely align with the statutory language in 36 M.R.S. § 1819(4):

In the case of the lease or rental of an automobile where the lease requires recurring periodic payments, all monthly payments are sourced to the primary property location pursuant to 36 M.R.S. § 1819(4). ~~In the case of a lease of an automobile for one year or more, the primary property location will be in Maine when the address where the automobile is stored, garaged, and maintained is an address in Maine.~~