



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
P.O. BOX 1060
AUGUSTA, MAINE 04332-1060

ADMINISTRATIVE & FINANCIAL SERVICES

ALEC PORTEOUS
ACTING COMMISSIONER

MAINE REVENUE SERVICES

JEROME D. GERARD
EXECUTIVE DIRECTOR

NOTICE TO RENTERS OF LIVING QUARTERS REPORTING SALES TAXES ON THIRD PARTY BOOKINGS Issued: September 1, 2017

PURPOSE OF THIS NOTICE

The purpose of this notice is to clarify the proper sales tax treatment of the rental of living quarters in Maine involving entities referred to as room remarketers, third party intermediaries, or online travel companies. For purposes of this notice, these entities are collectively referred to as intermediaries; owners, managers, or operators are collectively referred to as operators. (36 MRSA §1811)

TYPES OF ARRANGEMENTS DISCUSSED IN THIS NOTICE

The arrangements discussed in this notice are only those where bookings are made through an intermediary that reserves, arranges for, offers, furnishes, collects, or receives consideration for the rental through an agreement with the operator. The intermediary may retain a portion of the payment as a commission or fee.

SALES TAX REPORTING RESPONSIBILITIES OF THE OPERATOR

An operator is required to register as a retailer with Maine Revenue Services to collect and remit sales tax on the rentals of living quarters in Maine. The total value of all rentals and related charges, including those booked through an intermediary are reported as gross sales on the sales tax return.

The operator must obtain a resale certificate from the intermediary for reservations made by the intermediary and should report the value of those transactions as an exempt sale on the sales tax return.

The operator must collect and remit sales tax on any amounts charged to customers that are not billed by the intermediary, such as separate charges for resort fees, extra nights, room service, or food consumed from the refrigerator.

The operator is not required to collect or remit sales tax on charges for extra services that are considered a part of the rental of living quarters (such as for the use of a cot or crib, for the use of cooking facilities, pet fees, damage or cleaning fees, and fees or "penalties" imposed for smoking in a nonsmoking room) when bookings are made by the intermediary.

SALES TAX REPORTING RESPONSIBILITIES OF THE INTERMEDIARY

An intermediary is required to register as a retailer with Maine Revenue Services to collect and remit sales tax on the total amount billed to the customer, exclusive of the sales tax.

The intermediary must provide a properly completed resale certificate to the operator as evidence that the intermediary is properly registered and will collect and remit sales tax on those transactions.

Additional information on Rentals of Living Quarters can be found in Instructional Bulletin 32 available at www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm.