



Sales Tax Updates and Resale Certificates

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maine.gov/revenue



Sales Tax Highlights

Legislative Changes from 132nd Second Session

Sales and Use Tax

- Commercial Wood Harvesting, Hauling
- Tribal Sales Tax Exemptions
- Tribally Owned Fee Land - Transfer Fund
- Technical Changes

Tobacco Products Tax

- Technical Changes

Cannabis Excise Tax

- Nontaxable transfers for remediation





Resale Certificates

How Do I Get One?

How Do I Use It?

My Certificate Expires This Year! What Do I Do?

Is MRS Mailing the Renewed Certificates?

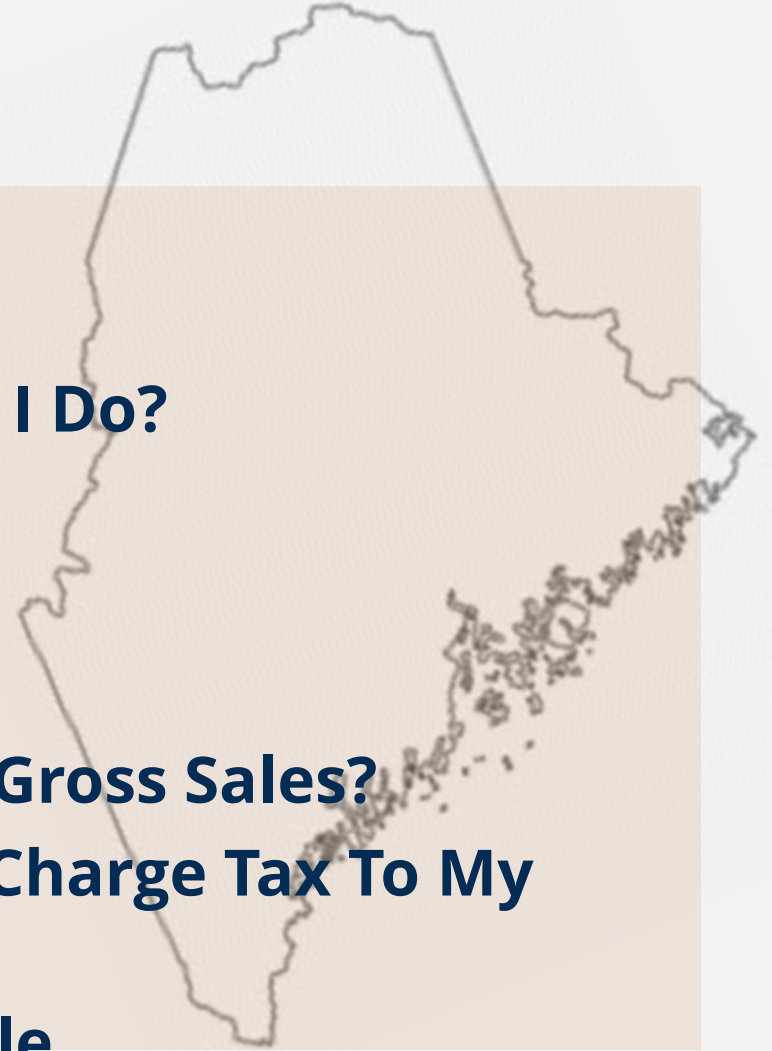
How Do I Get Into the MTP?

How Will I Know It's Ready?

What If I Didn't Report More Than \$3,000 Gross Sales?

Can I Just Pay Tax To My Vendor And Not Charge Tax To My Customers?

Credit for Tax Paid on Purchases For Resale





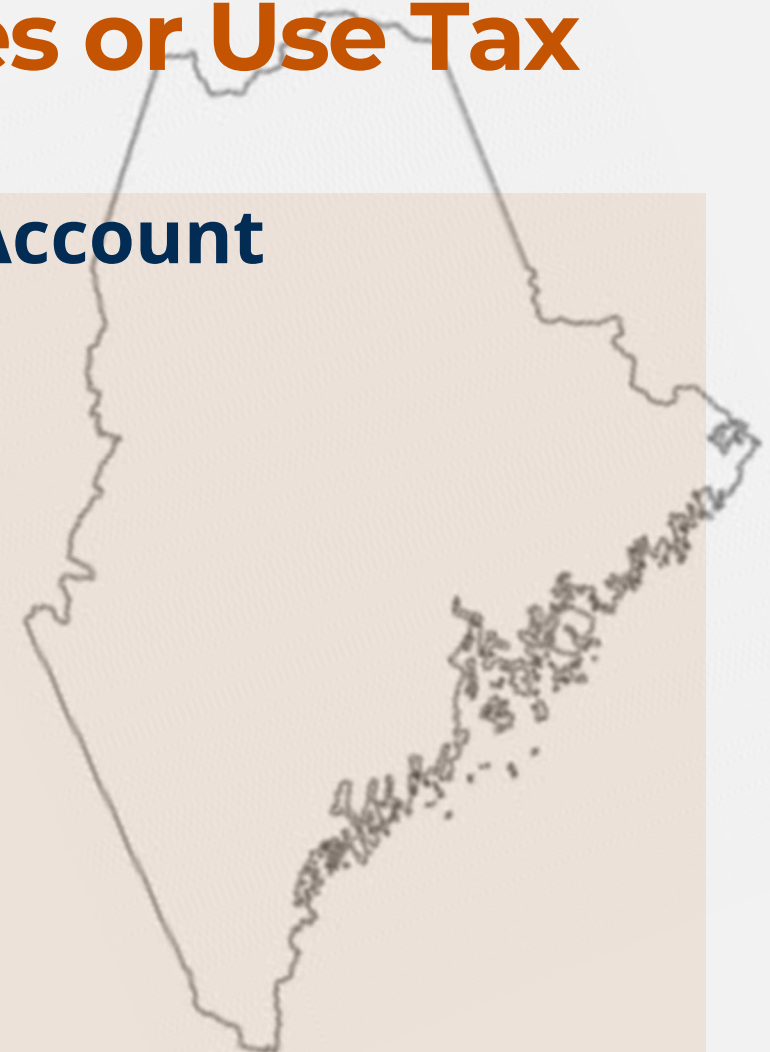
Requesting Refunds of Sales or Use Tax

Requesting Refunds Through MTP Account

What Else Do I Need To Provide?

- Proof of Payment of Tax
- Commercial Activities
- Tax Paid on Goods Purchased for Resale
- Tax Paid on Vehicle

Review Process





Legislative Changes from the 132nd Second Regular Session



Commercial Wood Harvesting

“Commercial wood harvesting” means the commercial severance ~~and~~, yarding and hauling of trees for sale or for processing into logs, pulpwood, bold wood, wood chips, stud wood, poles, pilings, biomass or fuel wood or other products commonly known as forest products.



Commercial Wood Harvesting

“Hauling” means the transportation of forest products from the land where the forest products were harvested to their initial destination involving production or use.





Commercial Wood Harvesting

New or used machinery and equipment for use directly and primarily in commercial wood harvesting, including, but not limited to, chain saws, skidders, delimbers, forwarders, slashers, feller bunchers and, wood chippers, semitrailers as defined in Title 29-A, section 101, subsection 66, trailers as defined in Title 29-A, section 101, subsection 86, trucks as defined in Title 29-A, section 101, subsection 88, truck tractors as defined in Title 29-A, section 101, subsection 90, pickup trucks as defined in Title 29-A, section 101, subsection 55 and commercial motor vehicles as defined in Title 29-A, section 101, subsection 17;



Commercial Wood Harvesting

What should I look out for?

- MRS Rule 323 ("Commercial Activities") is being updated to reflect the changes.
- MRS is developing an affidavit specifically for those engaged in commercial wood harvesting to be used for purchases occurring on and after January 1, 2027.
- MRS is updating the commercial wood harvesting exemption card as well.



Tribal Members Sales Tax Exemption

Beginning January 1, 2027, the exemption for sales of tangible personal property and taxable services to tribal members is expanded to include the sale of new manufactured housing to:

- 1) A tribal member if the new manufactured housing is intended to be installed on tribal land immediately upon receipt or delivery; or



Tribal Members Sales Tax Exemption

Beginning January 1, 2027, the exemption for sales of tangible personal property and taxable services to tribal members is expanded to include the sale of new manufactured housing to:

- 2) A construction contractor or subcontractor if the new manufactured housing is intended to be physically incorporated in, and become a permanent part of real property located on, tribal land for sale to a tribal member or a tribe.



Tribal Members Sales Tax Exemption

What should I look out for?

- MRS Rule 325 ("Sales to Tribes, Tribal Members, and Tribal Entities") is being updated to reflect the changes.
- MRS is updating ST-A-133 (Affidavit of Exemption for Sales to Tribal Members) to include sales of new manufactured housing.
- MRS is updating ST-A-119 (Contractor's Exempt Purchase Certificate) to add a checkbox for sales of new manufactured housing to be installed on tribal land.



Specific Tribally Owned Fee Land

For purposes of the sales tax exemption for sales to tribal entities that are sourced to tribal land, the meaning of “sales sourced to tribal land” is expanded to include no more than one parcel, or two abutting parcels, of fee land owned by each tribe or a qualifying tribal entity owned by the tribe or a tribal member to operate a business.

The fee land parcel(s) must be in either Aroostook, Hancock, Franklin, Penobscot, Piscataquis, Somerset, Oxford, or Washington County.



Specific Tribally Owned Fee Land

The Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians, and the Mi'kmaq Nation may file a written request to Maine Revenue Services to identify the specific tribally owned fee land by August 1st of each year.

The specific tribally owned fee land eligible for the sales tax exemption and the sales tax transfer will be identified by rule.



Specific Tribally Owned Fee Land

Further, under current law, a monthly transfer of funds is made to each tribe equal to the amount of sales tax collected in the previous month for sales occurring on the tribe's tribal land.

Beginning January 1, 2027, sales tax collected on sales occurring at a location on the specific tribally owned fee land is included in the monthly transfer to each tribe.



Specific Tribally Owned Fee Land

What should I look out for?

- MRS Rule 325 ("Sales to Tribes, Tribal Members, and Tribal Entities") is being updated to reflect the changes.
- MRS is creating a new Affidavit of Exemption and updating current Affidavits of Exemption used by tribal entities to include sales sourced to specific tribally owned fee land.



Poll Question #1



Technical Changes

Previously, on last year's
State Tax Symposium,
"Sales Tax Updates"



New Exemptions

Effective January 1, 2026, sales, including leases or rentals, of the following are exempt from sales tax:

- **"Durable medical equipment"** for home use;
- **"Breast pumps"** for home use; and
- **"Mobility-enhancing equipment"** for home use or use in a motor vehicle.



36 M.R.S. § 1760(116)–(117)



Technical Changes

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Effective January 1, 2026, sales, including leases or rentals, of the following are exempt from sales tax:

- **"Durable medical equipment"** for home use;
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36 M.R.S. § 1760(116)–(117)



Technical Changes

5-A. Prosthetic or orthotic devices. Sales of:

- A. Prosthetic or orthotic devices sold by means of an order issued by a health care practitioner as defined in Title 24, section 2502, subsection 1-A who is licensed under Title 32; and.
- ~~B. Crutches and wheelchairs for the use of sick, injured or disabled persons and not for rental.~~



Technical Changes

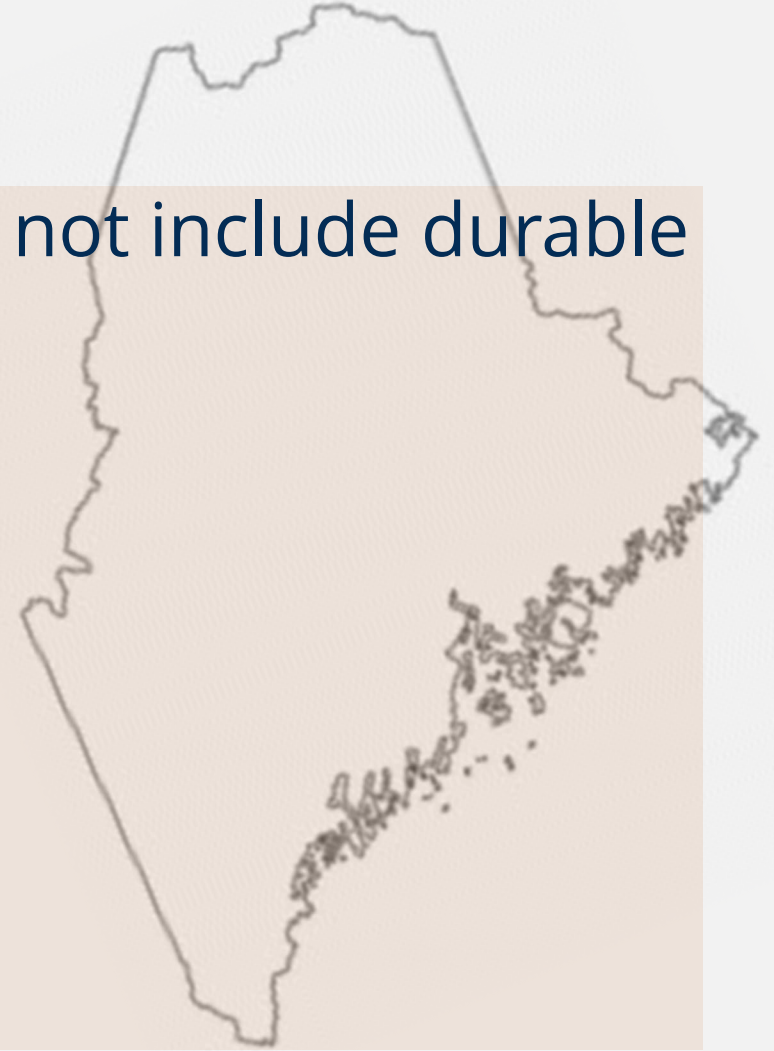
6-K. Mobility-enhancing equipment. “Mobility-enhancing equipment” means equipment, including repair and replacement parts for such equipment, that:

- A. Is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;
- B. Is not generally used by persons with normal mobility; and
- C. Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.



Technical Changes

“Mobility-enhancing equipment” does not include durable medical equipment.





Technical Changes

“Mobility-enhancing equipment” does not include durable medical equipment. “Mobility-enhancing equipment” includes crutches and wheelchairs.





Technical Changes

The sales and use tax exemption for the sale of tangible personal property to be physically incorporated in and become a part of a portable classroom for lease to a school has been repealed.

Such property qualifies for exemption as tangible personal property that becomes an ingredient or component part of tangible personal property produced for later sale or lease.



Technical Changes

The sales and use tax exemption for property used in production was amended to strike the clause “other than lease for use in this State” to reflect the recent inclusion of leases in the definition of “sale.”





Tobacco Products Tax – Technical Changes

The Tobacco Products Tax Law is amended to clarify that the tobacco products tax on smokeless tobacco applies to smokeless tobacco products, consistent with current tax administration and prior legislative changes.



Cannabis Excise Tax

8. Transfers to and from products manufacturing facility. Notwithstanding subsection 6, an excise tax is not imposed on the transfer of adult use cannabis to a products manufacturing facility when the adult use cannabis is returned to the original cultivation facility in the same form and weight within 30 days.



Resale Certificates



Resale Certificates

- Resale Certificate issued by MRS upon registration for Sales and Use Tax Account
- Allows a person (retailer) to purchase goods that will be resold by the retailer without paying sales tax
- Will collect sales tax from the ultimate consumer of the good sold



How Do I Get One?

- Resale Certificate issued by MRS upon registration for Sales and Use Tax Account
- Registration application asks this question:

Do you anticipate generating more than \$3000 in sales per year?

No

Yes

- Expires after five calendar years



How Do I Get One?

- Certificate number is seven digits
- Date Effective = Date Issued
- Cannot be backdated
- Can be re-sent
- Expiration Date
- Includes description of business to identify the type of items normally purchased for resale

Resale Certificate

This Certificate is issued to

RETAILER

Address

AUGUSTA ME 04333-0001

Certificate Number: **0123456**
Date Effective: August 21, 2025
Valid Through: December 31, 2025
Business Description: **Clothing**

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. **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.

Purchase Description: _____

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.



How Do I Use It?

- Must be presented to the vendor by the purchaser
- Provides documentation to the vendor to support the non-taxable sale
- Vendor must retain a copy of the completed Resale Certificate in their business files





Poll Question #2



My Certificate Expires This Year! What Do I Do?

MRS reviews expiring Resale Certificates annually

- Review required to begin on November 1st

2-C. Issuance and renewal of resale certificates; contents; presentation to vendor. On November 1st of each year, the assessor shall review the returns filed by each registered retailer unless the retailer has a resale certificate expiring after December 31st of that year.



My Certificate Expires This Year! What Do I Do?

MRS reviews expiring Resale Certificates annually

- Review required to begin on November 1st.
- If an account has reported more than \$3,000 gross sales during the most recent 12-month period, the Resale Certificate will automatically renew
 - The Retailer doesn't have to do anything
 - Renewed certificate will be available in the Maine Tax Portal in early December



Is MRS Mailing the Renewed Certificates?

If you have elected to “go paperless” on the Maine Tax Portal, your Certificate will only be available in the Maine Tax Portal. A hard copy will not be mailed.



... .. How Do I Get It in the MTP?

- Log into your MTP Account at revenue.maine.gov:



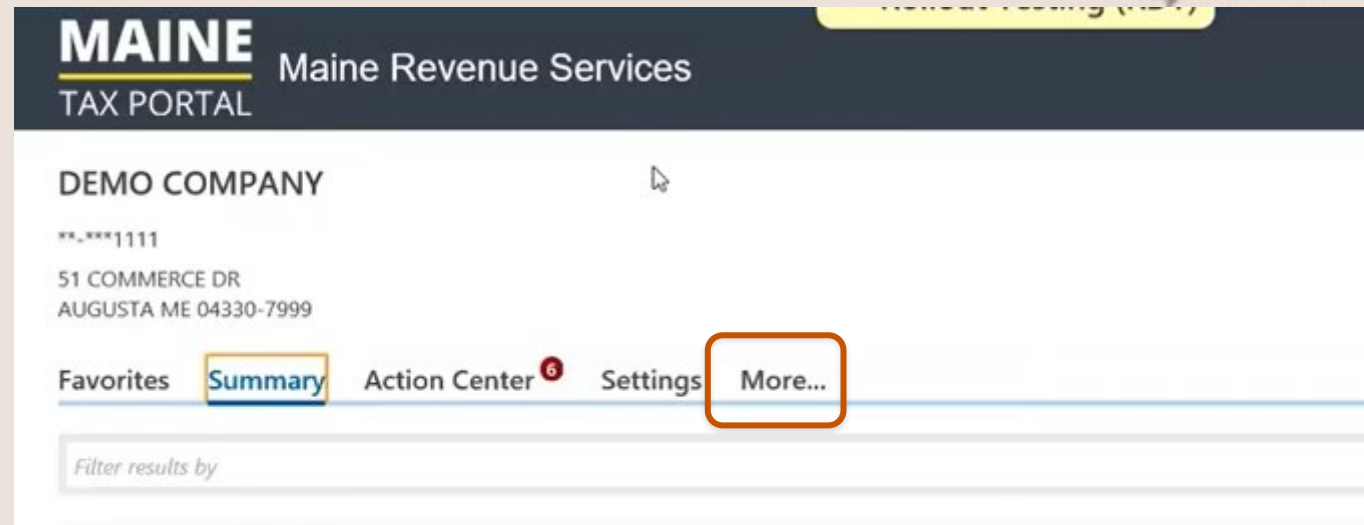
Maine Revenue Services Online Tax Portal





... .. How Do I Get It in the MTP?

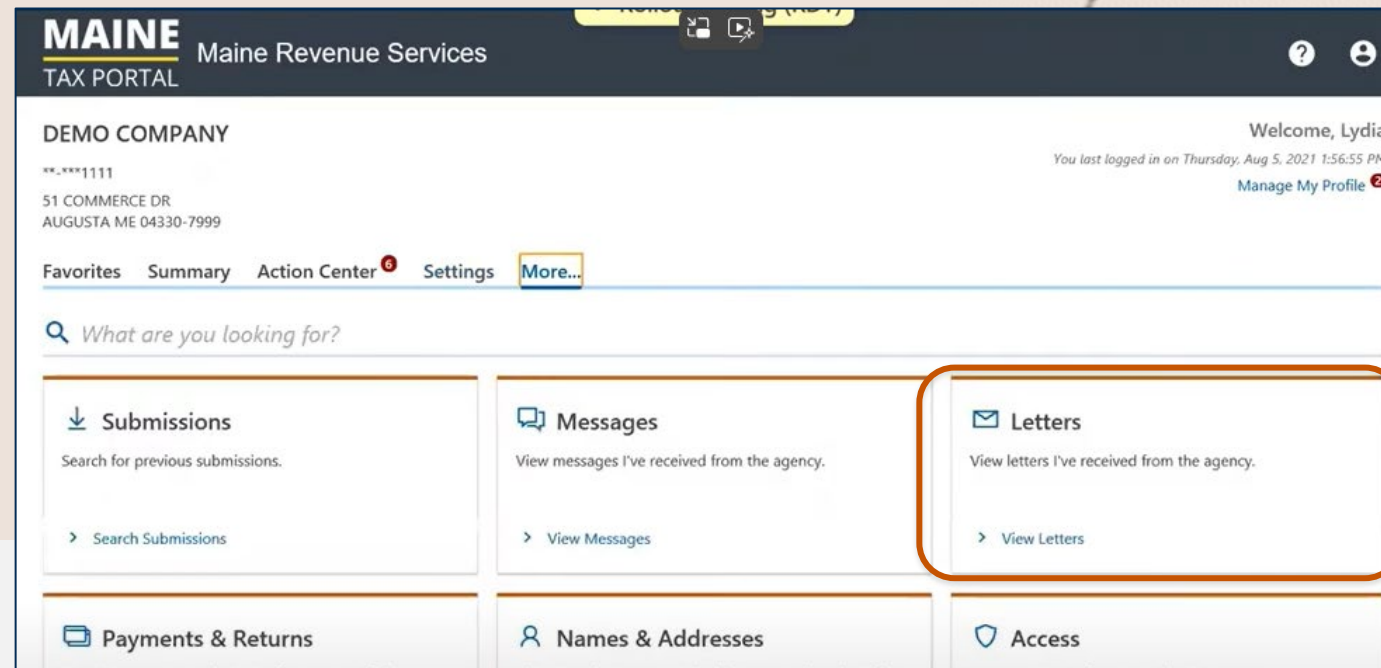
- Log into your MTP Account at revenue.maine.gov:
- Click the “More...” tab/link





... .. How Do I Get It in the MTP?

- Log into your MTP Account at revenue.maine.gov:
- Click the “More...” tab/link
- Click “View Letters” in the Letters Panel





How Will I Know It's Ready?

You will receive an email from MRS.Notification@maine.gov with the subject line, "New Letter Available."

The email will be sent to the email address that is associated with the authorized MTP users and logons.



What If I Didn't Report More Than \$3,000 Gross Sales?

If an account has not reported at least \$3,000 in gross sales during the most recent 12-month period, the retailer will receive a Denial of Resale Certificate Notice.

- Denial of Resale Certificate does not mean the sales tax account has been closed
- If another, more recent 12-month review period can demonstrate more than \$3,000 gross sales, request a review from MRS



Can I just pay tax to my vendor and not charge tax to my customers?

No.



Can I just pay tax to my vendor and not charge tax to my customers?

36 M.R.S. § 1753. Tax is a levy on consumer.

The [Sales and Use Tax] is declared to be a levy on the consumer. The retailer shall add the amount of the tax to the sale price and may state the amount of the tax separately from the sale price of tangible personal property or taxable services on price display signs, sales or delivery slips, bills and statements that advertise or indicate the sale price of that property or those services. If the retailer does not state the amount of the tax separately from the sale price of tangible personal property or taxable services, the retailer shall include a statement on the sales slip or invoice presented to the purchaser that the stated price includes Maine sales tax.



Can I just pay tax to my vendor and not charge tax to my customers?

A retailer that has been issued a Resale Certificate does not have the option of paying the sales tax to its vendors and claiming a credit on its 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 the purchaser.



So ... if I don't have a Resale Certificate, I just have to pay tax twice?

If you don't have a Resale Certificate, you can claim a credit of tax paid on goods purchased for resale on your sales tax return.

If you do have a Resale Certificate and you paid tax on goods purchased for resale, you can request a refund of that tax paid.



Credit for tax paid on purchases for resale

A retailer registered under section 1754-B or 1756 may claim a credit for sales tax imposed by this Part if the retailer has paid the sales tax on tangible personal property purchased for resale at retail sale. The credit may be claimed only on the return that corresponds to the period in which the tax was paid. The credit may not be claimed if the item has been withdrawn from inventory by the retailer for the retailer's own use prior to its sale. If the retailer purchases an item for resale at retail sale and pays tax to its vendor and if the retailer's sales and use tax liability for the tax period in question is less than the credit being claimed, the retailer is entitled to either to carry the credit forward or to receive a refund of the tax paid.



Credit for tax paid on purchases for resale

If you have an active resale certificate and attempt to claim a credit of sales tax paid on goods purchased for resale on your sales tax return, you will receive the following error message:





Credit for tax paid on purchases for resale

Sales and Use Tax Return

10-Sep-2025



You are an Active Registered Retailer which means your business has been issued a resale certificate. An active registered retailer does not have the option of paying tax to its suppliers and claiming credit on its 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.

You will need to:

Present your Resale Certificate to your vendors for future purchases.

Submit a request for a sales tax refund.

1. Go to the home screen of your Maine Tax Portal account
2. Select the "More..." tab
3. Scroll down to the "Payments and Returns" panel
4. Select "Refund Application"
5. Follow the prompts

OK

Credit carry forward from prior period	0.00
Credit for sales tax paid on goods purchased for resale	150.00



Credit for tax paid on purchases for resale

Sales and Use Tax Return

10-Sep-2025



You are an Active Registered Retailer which means your business has been issued a resale certificate. An active registered retailer does not have the option of paying tax to its suppliers and claiming credit on its 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.

You will need to:

Present your Resale Certificate to your vendors for future purchases.

Submit a request for a sales tax refund.

1. Go to the home screen of your Maine Tax Portal account
2. Select the "More..." tab
3. Scroll down to the "Payments and Returns" panel
4. Select "Refund Application"
5. Follow the prompts

OK

Credit carry forward from prior period	0.00
Credit for sales tax paid on goods purchased for resale	150.00



Requesting Refunds of Sales or Use Tax



Request a Refund (With an MTP account)

Go to your home page when logged-in and click the “More...” tab

MAINE
TAX PORTAL

Maine Revenue Services

DEMO COMPANY

XX-XXX1111

51 COMMERCE DR
AUGUSTA ME 04330-7999

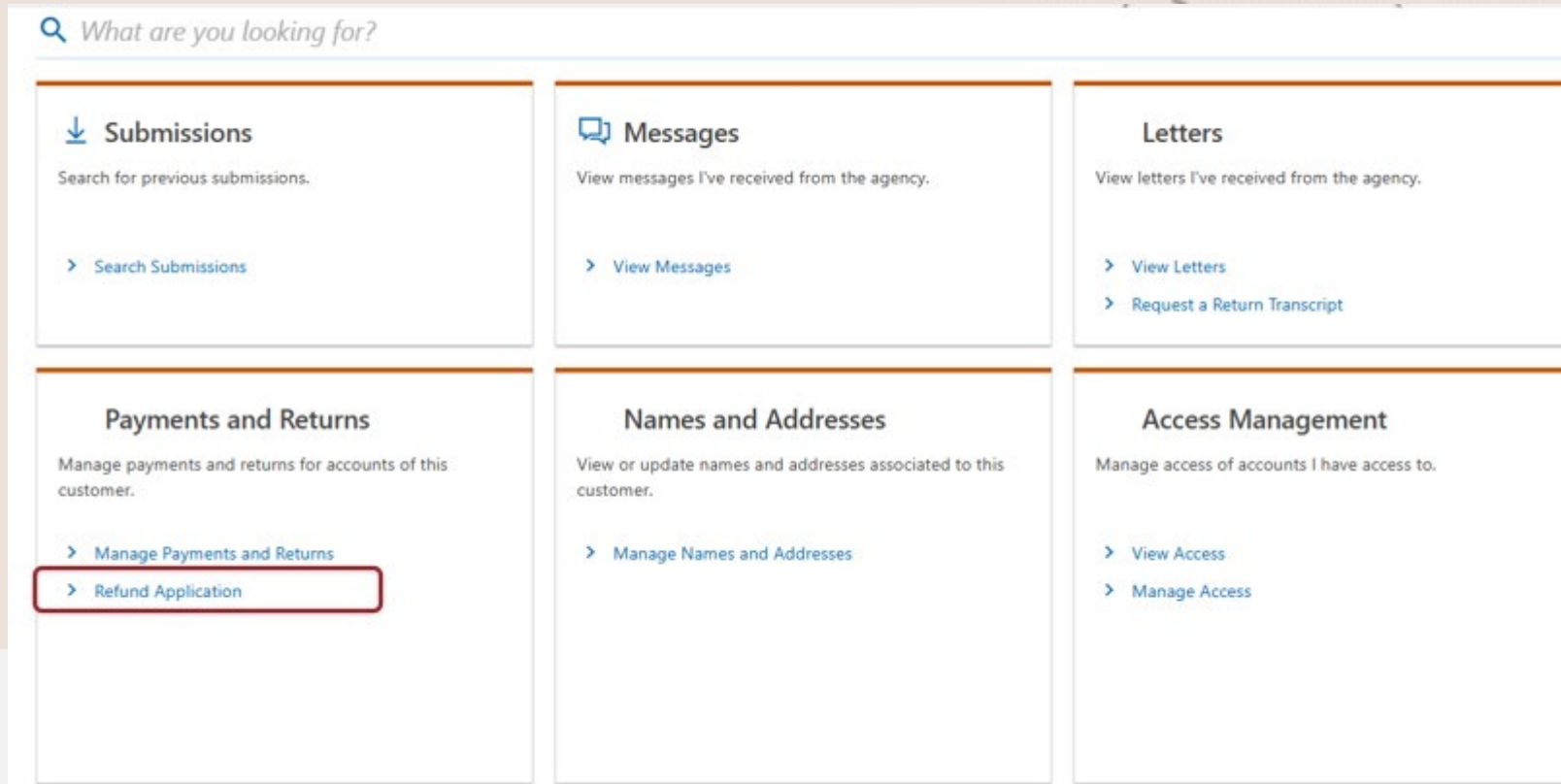
Favorites **Summary** Action Center ⁶ Settings **More...**

Filter results by



Request a Refund (With an MTP account)

Click the “Refund Application” hyperlink in the Payments and Returns panel.





Request a Refund (With an MTP account)

✓

✓

✓

➤

Refund TypeTaxpayer InformationAddressRefund Information

Refund Information

Amount of Refund Request *

Required

Exemption Certification Number

Indicate the reason for your refund:

☐

Commercial Agricultural Production, Commercial Aquacultural Production, Commercial Fishing, Commercial Wood Harvesting, or Commercial Windjammer

☐

Sales tax paid on the purchase of a vehicle

☐

Manufacturing (more than 50% of the time)

☐

Vehicle used in Interstate or Foreign Commerce

☐

Sales tax paid by tribal member or tribal entity

☐

Purchase of battery energy storage system

☒

Other

Reason for selecting other *

Required



Poll Question #3



What Else Do I Need To Provide?: *All Sales and Use Tax Refund Requests*

- If you are requesting a refund of sales tax for more than one item or purchase, **provide a spreadsheet or other itemization** of all items for which you are requesting a refund, detailing how each item is used.

Purchase Date	Invoice #	Vendor	Location	Purchaser	Description	Sale Price	Tax	Proof of Payment	Used
3/1/2026	1234567	Patterson Supply	Portland	Alaina Patterson	Yarn (4 skeins)	\$ 32.00	\$ 1.76	Credit Card	Used to make knit hats for sale
3/6/2026	4567891	Patterson Supply	Portland	Alaina Patterson	Yarn (3 skeins)	\$ 24.00	\$ 1.32	Credit Card	Used to make knit hats for sale
3/15/2026	2345678	Yarn 'N' Notions	Yarmouth	Alaina Patterson	Yarn (2 skeins), buttons	\$ 26.00	\$ 1.43	Credit Card	Used to make knit hats for sale



What Else Do I Need To Provide?: *All Sales and Use Tax Refund Requests*

- If you are requesting a refund of sales tax for more than one item or purchase, **provide a spreadsheet or other itemization** of all items for which you are requesting a refund, detailing how each item is used.
- A **cover letter**, detailing the reason for the refund request.



What Else Do I Need To Provide?: *All Sales and Use Tax Refund Requests*

- If you are requesting a refund of sales tax for more than one item or purchase, **provide a spreadsheet or other itemization** of all items for which you are requesting a refund, detailing how each item is used.
- A **cover letter**, detailing the reason for the refund request.
- **Copies of invoices or receipts** documenting sales tax charged.
(Emphasis on *copies* – documentation submitted to MRS will not be returned)



What Else Do I Need To Provide?: *All Sales and Use Tax Refund Requests*

- If you are requesting a refund of sales tax for more than one item or purchase, **provide a spreadsheet or other itemization** of all items for which you are requesting a refund, detailing how each item is used.
- A **cover letter**, detailing the reason for the refund request.
- **Copies of invoices or receipts** documenting sales tax charged.
(Emphasis on *copies* – documentation submitted to MRS will not be returned)
- **Proof of payment** of the tax.



Proof of Payment of Tax

Documents proving that a taxpayer paid the seller directly for an item it purchased may include, but is not limited to, a canceled (cashed) check, a bank statement, or a credit card statement.

Canceled check. For any payment made by check, the refund application must include a copy of the front and back of the canceled (cashed) check.



Proof of Payment of Tax

Documents proving that a taxpayer paid the seller directly for an item it purchased may include, but is not limited to, a canceled (cashed) check, a bank statement, or a credit card statement.

Electronic payment. For any payment made electronically, the refund application must include a copy of the bank statement or transaction report reflecting the payment or electronic funds transfer (“EFT”) details and confirmation.



Proof of Payment of Tax

Documents proving that a taxpayer paid the seller directly for an item it purchased may include, but is not limited to, a canceled (cashed) check, a bank statement, or a credit card statement.

Credit card or purchasing card. For any payment made with a credit card or purchasing card, the refund application must include a copy of the credit card or purchasing card statement reflecting the payment.



Proof of Payment of Tax

Documents proving that a taxpayer paid the seller directly for an item it purchased may include, but is not limited to, a canceled (cashed) check, a bank statement, or a credit card statement.

Payment processing service. For any payment made using payment processing services provided by a third party, the refund application must include a copy of the account statement or other documents from the third party detailing the payment.



Proof of Payment of Tax

Documents proving that a taxpayer paid the seller directly for an item it purchased may include, but is not limited to, a canceled (cashed) check, a bank statement, or a credit card statement.

Other payments. For payments made in any form not previously described, the refund application must include documents verifying the payer, the payee, amount, date, and confirmation of the payment. The refund application may not include accounting records, internal memos, or other documentation created *by the taxpayer* in order to substantiate this documentation.



What Else Do I Need To Provide?: *Commercial Activities*

SALES & FUEL REFUND APPLICATION PAGE 2

**MAINE REVENUE SERVICES
SALES, FUEL & SPECIAL TAX DIVISION**

Section 2: Refund Request for Items Used in Certain Commercial Activities

Commercial Exemption Certificate Number:

Select the item(s) this request is for: ☐ Fuel ☐ Electricity ☐ Machinery, equipment, or repair parts

Description of Equipment:

Is this equipment 100% depreciable for IRS purposes? ☐ Yes ☐ No

If NOT 100% depreciable, please give percentages: %

Briefly explain the primary use of this equipment and give the percentage of use performing this function:



What Else Do I Need To Provide?: *Commercial Activities*

- Depreciable machinery and equipment must be used more than 50% of the time in a qualifying activity to qualify for any refund.
- **If a person has not been issued a commercial exemption card**, include with the refund application a copy of the income tax return filed for the year corresponding with the time of purchase of the fuel, electricity, or equipment as evidence that you were engaged in the related commercial activity at the time.



What Else Do I Need To Provide?: *Commercial Activities*

- Persons engaged in **commercial fishing** or **commercial aquaculture** who have not been issued an exemption card must also provide:
 - Copy of current commercial fishing license or aquacultural permits/licenses
 - Current boat registration
- Persons engaged in **commercial mining** that have not been issued an exemption card must also provide:
 - Copy of current mining permit that has been issued by the Department of Environmental Protection



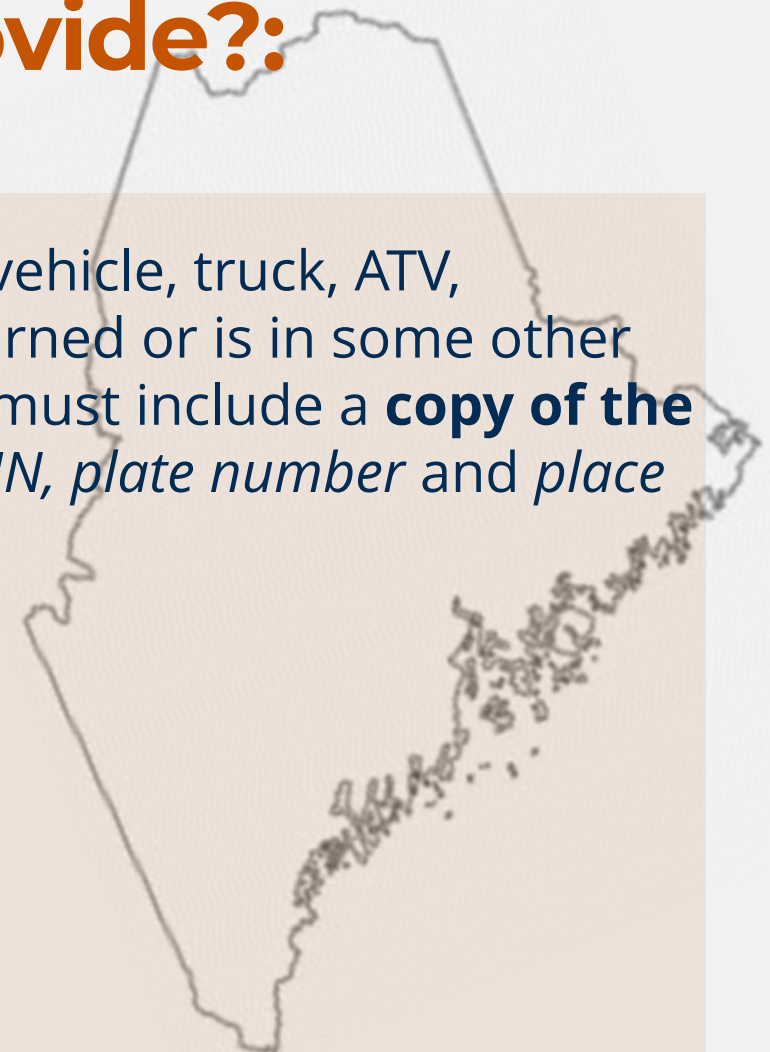
What Else Do I Need To Provide?: *Tax Paid on Goods Purchased For Resale*

- If the refund is for sales tax paid on goods purchased for resale, the application must include **copies of customer invoices** or other sales records detailing retail sales of the same or similar type of item or transaction to customers.



What Else Do I Need To Provide?: *Tax Paid on a Vehicle*

- If the refund is for tax paid on a vehicle (motor vehicle, truck, ATV, snowmobile, watercraft, etc.) that has been returned or is in some other manner exempt from sales tax, the application must include a **copy of the registration** to include the *year, make, model, VIN, plate number and place and date of registration*.





Review Process

MRS reviews refund applications in the order in which they are received. A refund of sales or use tax will be approved upon review of a complete application, including all required supporting documentation. Additional information or documentation may be requested by MRS to review the request. A refund request is considered incomplete until any requested additional information has been received. Failure to provide requested information could result in denial of the request.



Questions?

Thank you.



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