



Sales Tax Basics

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Agenda

Law Changes From Most Recent Legislative Session

What is Sales Tax?

What is a Sale?

Basics of Sale Price

Exemptions

Remote Sellers & Marketplace Facilitators

Law Changes

From the 2nd Regular Session of the 129th Maine Legislature



Ch. 723 Pesticide Container Fee

§ 4911. Fee imposed

1. Imposition. A fee is imposed on the retail sale in the State of containers of pesticide products registered with the Board of Pesticides Control, established in Title 5, section 12004-D, subsection 3 and referred to in this chapter as "the board," in the amount of 15¢ per container. Three cents of the container fee imposed under this subsection may be retained by the retailer to defray the costs associated with collecting the fee.

Effective June 16, 2020, a fee of 15¢ is imposed on the sale of pesticide containers registered with the Board of Pesticides Control.

Retailers are allowed to retain 3¢ per container "to defray the costs associated with collecting the fee."

PL 2019, c. 548, §2; effective June 16, 2020



Ch. 723 Pesticide Container Fee

§ 4911. Fee imposed

2. Exemptions. The following products are exempt from the fee under subsection 1:

- A. A container of pesticides sold by a manufacturer or manufacturer's representative directly to a pesticide applicator licensed under Title 22, section 1471-D;
- B. A container of pesticides sold to a pesticide applicator licensed under Title 22, section 1471-D that is exempt from sales tax pursuant to section 1760, subsection 7-B or 7-C; and
- C. A container of paint, stain, wood preservative or sealant registered as a pesticide with the board.

The fee will not apply to containers of pesticides sold to licensed pesticide applicators; licensed pesticide applicators that are also using the pesticide in commercial agricultural or aquacultural production; and paints, stains, etc. that are also registered pesticides.

MRS has an affidavit available for licensed pesticide applicators to present to retailers to purchase pesticide containers exempt of the fee.

PL 2019, c. 548, §2; effective June 16, 2020



Affidavit of Exemption



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION

For purchases of pesticide containers exempt from the Pesticide Container Fee

NOTE: This affidavit exempts the 15¢ Pesticide Container Fee, imposed by 36 M.R.S. § 4911. The affidavit does not exempt the sales or use tax from the purchase.

I present this affidavit to _____ and certify, under penalties of perjury, that the pesticide container(s) purchased from this retailer is/are exempt from the Pesticide Container Fee pursuant to 36 M.R.S. § 4911(2) as I hold a valid pesticide applicator license, No. _____, issued by the Maine Board of Pesticides Control pursuant to 22 M.R.S. § 1471-D.

I further certify that any pesticide containers purchased through this affidavit will be used by me under the activities approved under my pesticide applicator license.

I further certify that I assume full liability for payment to the State of Maine of any fees, together with penalties and interest that may later be determined to be due on any purchases covered by this affidavit because of a taxable use of the property.

NAME OF PURCHASER

DATE

SIGNATURE

TITLE

NOTICE TO RETAILERS: Retailers making exempt sales covered by this affidavit must appropriately mark or stamp all invoices to indicate whether they are exempt sales.

Misuse of Affidavit

Purchasers who avoid payment of taxes and fees through deliberate misuse of this affidavit of exemption may be subject to criminal prosecution.

ST-A-128



Ch. 723 Pesticide Container Fee

§ 4911. Fee imposed

3. Administration of fee. The fee imposed by this chapter is administered as provided in chapter 7 and Part 3, with the fee imposed pursuant to this chapter to be considered as imposed under Part 3. The revenue collected during the preceding month pursuant to this subsection must be transferred to the Treasurer of State on a monthly basis on or before the last day of the month. The Treasurer of State shall credit all revenue derived from the fee imposed by this chapter to the Tick Laboratory and Pest Management Fund established under Title 7, chapter 419.

The Fee is collected by the retailer and reported on their sales tax return.

The ME Board of Pesticides Control maintains the registry of pesticide containers; the list is updated monthly and available on their website:

<https://www.maine.gov/dacf/php/pesticides/pesticide-container-fee.shtml>

PL 2019, c. 548, §2; effective June 16, 2020



36 M.R.S. § 1752 Definitions

36 M.R.S. § 1752(11)(B)(15) is amended to read:

(15) The sale of positive airway pressure equipment and supplies and oxygen delivery equipment for rental for personal use to a person engaged in the business of renting positive airway pressure equipment and oxygen delivery equipment;

This section was amended to include “oxygen delivery equipment” in the exclusion from retail sale for that equipment purchased with the intent to be rented for personal use.

*PL 2019, c. 607, Pt. B, §1 and affected by §8;
effective retroactively to sales on or after January 1, 2012*



New Exemptions

36 M.R.S. § 1760(103) is enacted to read:

103. **Nonprofit youth camps.** Sales to nonprofit youth camps as defined in Title 22, section 2491, subsection 16 that are licensed by the Department of Health and Human Services and receive an exemption from property tax under section 652, subsection 1.

103. **Pet food assistance organization.** Sales to an incorporated nonprofit organization organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets.

103. **Nonprofit worldwide charitable organizations.** Sales to a nonprofit community-based worldwide charitable organization that, using private funding, provides financial support to other nonprofit charitable organizations at the community level, including, but not limited to, food banks and homeless or domestic violence shelters, to improve health and education and strengthen financial stability.

PL 2019, cs. 550-552, §1; effective June 16, 2020



Hospital Tax

36 M.R.S. § 2892, last paragraph is amended to read:

For state fiscal years beginning on or after July 1, 2019 ~~but before July 1, 2021~~, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2016.

This amendment removes the end date for a hospital using their 2016 fiscal year as their taxable base.

PL 2019, c. 616, Pt. Y, §1; effective June 16, 2020

What is Sales Tax?



What is Sales Tax?

The sales tax law can be simply stated as:

“A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State.”



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“A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State.”

Value is determined by the **sale price** of the item.

Sale Price means the total amount of a retail sale valued in money, whether received in money or otherwise.



What is Sales Tax?

The sales tax law can be simply stated as:

“A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State.”

Tangible personal property is property that may be seen, weighed, measured, felt, touched or in any other manner perceived by the senses.

Does not include realty, rights and credits, insurance policies, stocks and bonds, and similar evidences of indebtedness or ownership.

“Tangible personal property” includes:

- Electricity
- Any computer software that is not a custom computer software program



What is Sales Tax?

The sales tax law can be simply stated as:

“A tax is imposed on the value of all tangible personal property, **products transferred electronically** and taxable services sold at retail in this State.”

Products transferred electronically

is a digital product transferred to the purchaser electronically, the sale of which in non-digital form would be subject to tax as a sale of tangible personal property.

Examples:

- Audiobooks
- Songs
- Movies



What is Sales Tax?

The sales tax law can be simply stated as:

“A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State.”

Taxable services include:

- The rental of living quarters in a hotel, rooming house, or tourist or trailer camp
- Transmission & distribution of electricity;
- Rental or lease of an automobile, camper trailer, or motor home
- Rental or lease of a pickup truck or van weighing less than 26,000 lbs. rented from a person primarily engaged in renting automobiles
- Sale of an extended warranty on an automobile or truck
- Prepaid calling service



What is Sales Tax?

The sales tax law can be simply stated as:

“A tax is imposed on the value of all **tangible personal property, products transferred electronically and taxable services** **sold at retail** in this State.”

Retail sale means any sale of tangible personal property or a taxable service in the ordinary course of business.

**What
is a sale?**



What is a Sale?

“Sale” means any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration and includes leases and contracts payable by rental or license fees for the right of possession and use, but only when such leases and contracts are deemed by the State Tax Assessor to be in lieu of purchase.



Any Transfer, Exchange or Barter ...

NOT when:

- A deposit is made towards a purchase
- A gift certificate is purchased
- Goods are placed on layaway
- An order is placed
- Goods are delivered out of state

BUT when:

- The goods or service(s) are received by the purchaser
- A gift certificate is redeemed
- The goods are received by the purchaser
- The goods are received by the purchaser
- Goods are delivered in Maine



... For a Consideration ...

A sale could occur without cash payment

- Barter
- Exchange

A sale could occur without payment in full

- Installment sale
- Lease in lieu of purchase
- “On account” with retailer

Sale Price



Sale Price

“Sale price” means the total amount of a retail sale valued in money, whether received in money or otherwise.



Sale Price

“Sale Price” includes:

- **Any consideration for services that are a part of a retail sale;**
- **All receipts, cash, credits and property of any kind or nature and any amount for which credit is allowed by the seller to the purchaser, without any deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses or any other expenses; and**



Sale Price

“Sale Price” includes:

- **All consideration received for the rental of living quarters in this State, including any service charge or other charge or amount required to be paid as a condition for occupancy, valued in money, whether received in money or otherwise and whether received by the owner, occupant, manager or operator of the living quarters, by a room remarketer, by a person that operates a transient rental platform or by another person on behalf of any of those persons.**



Sale Price Includes... *Services in Connection With a Sale*

Alteration charges

Assembly charges

Delivery charges

- **Cash on delivery (COD)**
- **Handling charges**
- **Mileage charges**
- **“Wait” charges**
- **Fuel surcharges**



Sale Price Includes... *Trade-ins and other consideration*

Transactions where sale price is paid in part or whole by barter, rendition of services, or any other valuable consideration:

- **Trade-ins**
- **Core charges**
- **Installment and layaway sales**



Trade-Ins

An Exception to trade-in credits being disallowed:

- **Certain trade-in credits are allowed to discount the sale price, per 36 M.R.S. § 1765:**
 - Motor vehicles
 - Watercraft
 - Aircraft
 - Chain saws
 - Special mobile equipment
 - Trailers and truck campers

But only when item is traded in for like-kind!!



Also Included

The following are also included in the sale price upon which tax is based:

- **Federal manufacturers' or importers' excise taxes**
 - (with respect to automobiles, tires, firearms, sporting goods, etc.)
- **Alcohol excise taxes**
- **Tobacco excise taxes**
 - (even though the federal taxes are separately stated)



Sale Price Excludes ...

- **Discounts allowed and taken by the retailer on sales**
- **Allowances in cash or by credit made upon the return of merchandise pursuant to warranty**
- **The price of property returned by customers, when the full price is refunded either in cash or by credit**
- **The price received for labor or services used in installing or applying or repairing the property sold, if separately charged or stated**



Sale Price Excludes ...

- **Any amount charged or collected, in lieu of a gratuity or tip, as a specifically stated service charge, when that amount is to be disbursed by a hotel, restaurant or other eating establishment to its employees as wages**
- **The amount of any tax imposed by the United States on or with respect to retail sales, whether imposed upon the retailer or the consumer, except any manufacturers', importers', alcohol or tobacco excise tax**



Sale Price Excludes ...

- **Any amount charged or collected by a person engaged in the rental of living quarters as a forfeited room deposit or cancellation fee if the prospective occupant of the living quarters cancels the reservation on or before the scheduled date of arrival**
- **Any amount charged for the disposal of used tires**
- **Any amount charged for a paper or plastic single-use carry-out bag**



Sale Price Excludes ...

- **Any charge, deposit, fee or premium imposed by a law of this State**
- **Federal universal service support funds that are paid directly to the seller pursuant to 47 Code of Federal Regulations, Part 54**
- **A paint stewardship assessment imposed pursuant to Title 38, section 2144**



Reductions in Sale Price

Examples of discounts that **DO reduce** the taxable sale price:

- **20% off sale**
- **2%/10; net 30**
- **Retailer coupons**
- **Retailer rebates**
- **“Deal of the Day”**

In each situation, the *retailer* **is not** compensated for the discount or reduction in the sale price



Reductions in Sale Price

Discounts that **DO NOT reduce** the taxable sale price:

- **Manufacturer's coupons**
- **Manufacturer's rebates**
- **Third-party reimbursements**

In each situation, the *retailer* **is compensated** for the discount or reduction in the sale price by another party.



Transportation Charges

Transportation (or delivery) charges are not included in taxable sale price if all three of the following requirements are met:

- **Transportation is directly to the customer**
- **Transportation is by means of common carrier, contract carrier, or USPS**
- **Transportation charges are separately stated**



Transportation Charges

- **Cost of transporting item to the retailer's location ("freight-in") is part of the taxable sale price of the property when those costs are passed on to the retail customer**
- **Charges for delivery in the retailer's own vehicle are part of the sale price**
- **A retailer of tangible personal property cannot be a common or contract carrier with respect to that property**



Sale Price Summary

Includes

- **Services that are part of the sale**
- **All receipts, cash, credits and property traded in**
 - Some trade-in credits allowed

Excludes

- **Retailer discounts**
- **Installation, application, or repair labor *when separately stated***
- **Tips and gratuities**
- **Certain delivery charges**
- **Various fees**

Exemptions



Exemptions

Generally speaking, Exemptions are classified into three groups:

- **Organizational Purpose:** certain organizations that are provided an exemption, based on nonprofit or mission status
- **Product:** individual items that are excluded from taxability
- **Use:** items are excluded from taxability based on the item's usage in a certain activity
 - Commercial activities; manufacturing; etc.



Maine statute does **not** provide a blanket sales and use tax exemption for nonprofit organizations who have been granted a federal tax exemption, known as 501(c) organizations.

A purchaser presenting a 501(c) determination letter does **not** provide proof of exemption from sales tax.



Examples of Exempt Organizations

- **Governmental — Federal and Maine**
- **Schools — public and private**
- **Churches and houses of religious worship**
- **Hospitals**
- **Variety of healthcare, educational, religious, veterans, and children's organizations**
- **All found in Title 36, §1760**
- **Most require incorporation and nonprofit status**



Exemption Certificate

Permanent Exemption Certificate



Maine Revenue Services PERMANENT EXEMPTION CERTIFICATE

SAMPLE

Registration Number:
Effective Date: May 1, 2020
Notice Number: 2040629200526

This certifies that the organization named above is a nonprofit organization for the development of housing for low-income people, and is therefore entitled to purchase tangible personal property or taxable services that will be used exclusively by the organization for the purposes for which it is organized without payment of the Maine sales or use tax.

This Exemption Certificate is issued under the provisions of 36 M.R.S. §§ 1751 - 2113.

- This certificate cannot be used for purchases when payments are made with cash, personal checks, or personal credit cards without an accompanying purchase order.
- All purchases must be billed directly to and paid for by the organization, or must be accompanied by a purchase order issued by the organization that identifies specifically the items to be purchased.
- A copy of this completed and signed certificate must be provided by the organization, and a copy maintained in the files of the vendor in order to permit purchases exempt from tax. It is only necessary to provide one copy of this certificate to the vendor. Subsequent purchases should be identified as exempt from tax.
- The property or service purchased must be used exclusively by the organization named above for the purposes for which it is organized.
- This certificate may not be used for activities that are mainly commercial enterprises, including, but not limited to, purchases of items to be resold by the organization.
- This certificate must be taken in good faith from the organization. The good faith of the vendor may be questioned if, at the time of the sale, the vendor has knowledge of facts that give rise to a reasonable inference that:
 - The purchaser is not the holder of the exemption certificate,
 - The exemption certificate has been revoked or is otherwise invalid at the time of the sale, or
 - The merchandise or service is not to be used exclusively by the exempt organization.

I HEREBY CERTIFY that the above exemption certificate is valid and that the tangible personal property or taxable services described below which I shall purchase from _____ will be used exclusively by the organization named above for purposes for which it is organized, consistent with the exemption provided in 36 M.R.S. § 1760 or 36 M.R.S. § 2557.

Description of Purchases: _____

Authorized Signature

Date



Burden of Proof

The tax exemptions provided by section 1760 to a person based upon its charitable, nonprofit or other public purposes apply only if the property or service purchased is intended to be used by the person primarily in the activity identified by the particular exemption.

The burden of proving that a sale is to an organization exempt under section 1760 is on the retailer. The retailer is relieved of that burden if it satisfies the provisions of Rule 302, "Sales to Governmental Agencies and Exempt Organizations."



Exempt Sale Documentation

- **Sales billed directly to US Government, State of Maine, Maine cities and counties:**
 - Exemption certificates are not needed
 - Proof sale is to the governmental entity
- **All other exempt entities**
 - Exemption certificate must be issued by MRS and presented to retailer

Purchases must be made and paid for by the exempt entity



Exempt Sale Documentation

See Rule 302, Sales to Governmental Agencies and Exempt Organizations

- **Direct billed to organization – exempt**
- **Cash, personal check, personal credit card – taxable, unless accompanied by a purchase order**
- **Credit/Debit card of organization – exempt, but document who, when and last 4 digits of the card**
 - For US Govt. Agencies, this could be a GSA Smart Pay or SmartPay 2 card, which is billed directly to the US Govt.



Exempt Items

- **Detailed list in the Reference Guide**
 - MRS Sales Tax Reference Guide available online
- **Items excluded from sales tax include:**
 - Grocery staples
 - Residential fuel, water
 - Prescription medicines



Commercial Activities

Commercial Agricultural Production

Commercial Aquacultural Production

Commercial Fishing

Commercial Wood Harvesting



Commercial Exemption Card

Those engaged in a commercial activity may apply to MRS for a commercial exemption card

- **Allows tax-exempt purchases on electricity, fuel, or single items of machinery or equipment**
- **Upon issuance, the card is valid for a period of up to 4 years**
 - Commercial Agriculture, Aquaculture, and Fishing: valid through June 30, 2022
 - Commercial Wood Harvesting: valid through June 30, 2021



Industrial Users

Those engaged in manufacturing may present the Industrial Users Blanket Certificate of Exemption (Form ST-A-117) as evidence that the item purchased is to be used in the production of tangible personal property for sale.

- **Machinery & equipment**
- **Ingredients or component parts**
- **Items consumed or destroyed in production**



Resale Certificate

Allows a person to purchase goods that will be resold exempt from sales tax

Must be presented to the retailer by the purchaser

Provides documentation to the seller to support the exempt sale

Seller must retain in their customer file



Resale Certificate

	STATE OF MAINE MAINE REVENUE SERVICES		
	RESALE CERTIFICATE		
THIS CERTIFICATE IS VALID AUGUST 20 2018 THRU DECEMBER 31 2020			
<u>Business Name and Location Address</u>		<u>Certificate Number</u>	<u>Business Type</u>
SALES TEST ACCOUNT 51 COMMERCE DRIVE AUGUSTA ME 04332		000000	WHOLESALE
<p>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.</p> <p>The above named business certifies that the following is being purchased in the ordinary course of business for resale as provided above.</p> <p>_____</p> <p>_____</p>			
Presented to: _____ (Insert name of seller on photocopy)		Presented by: _____ Authorized Signature (purchaser)	
(date)		(date)	



Resale Certificate Validation

A retailer may verify that a purchaser's resale certificate is valid by visiting the MRS website:

<https://portal.maine.gov/certlookup/>



Resale Certificate Validation

Maine Revenue Services

Sales Tax and Service Provider Tax Retailer, Resale & Exemption Query

Welcome to the Maine Revenue Service online Sales and Service Provider Tax Lookup Program. This program can be used to determine whether your customer's Resale Certificate or Sales Tax Exemption Certificate is currently valid. **This information does not replace the fact that a retailer must maintain a copy of a valid resale certificate or sales tax exemption certificate on file to document exempt sales.**

When making sales tax exempt to a customer for resale, you are required to obtain a copy of a properly completed resale certificate. See Rule 301 [Sales for Resale and Sales of Packaging Materials](#) for further information.

Maine statute provides a sales tax exemption to various organizations. The burden of proving a sale is to an exempt organization is on the person making the sale. **The seller is relieved of that burden of proof only if it acquires a valid exemption certificate from the purchaser.** See Rule 302 [Sales to Government Agencies and Exempt Organizations](#) for further information.

Certificate Validation (Example: 0222333):>

To determine whether a customer's resale certificate is currently valid, enter the 7 digit Sales Tax Registration Number:

Validate

Exemption Certificate Validation (Example: E12345):>

To determine whether an exemption certificate number is currently valid, enter the Exemption number (numbers and letters are valid):

Validate

Exit Application



Resale Certificates from Out-of-State Retailers

An out-of-state retailer that is not registered with MRS would not be able to provide an MRS-issued Resale Certificate

Could present either:

- **A copy of the Uniform Sales and Use Tax Certificate, developed by the Multistate Tax Commission*; or**
- **A statement, on company letterhead, including the following information:**

**see www.mtc.gov, select "Uniform Sales and Use Tax Exemption Certificate" under "Resources"*



Resale Certificates from Out-of-State Retailers

- A. The retailer's name and address**
- B. A declaration that the tangible personal property is being purchased for resale outside of Maine**
- C. Evidence that the nonresident retailer is engaged in making retail sales of tangible personal property of the type purchased (other state's retailer cert.)**
- D. An affirmation, made under penalties of perjury, that the information provided in the statement is true and correct as to every material matter**
- E. The signature of the purchaser executing the statement.**

See MRS Rule 301 for more information on documenting sales for resale.



Exemptions: Summary

Types of Exemptions

- **Organization**
- **Product**
- **Usage**
 - Commercial activities
 - Manufacturing, industrial users

Exempt Documentation

- **Rule 302**

Resale Certificates

Remote Sellers & Marketplace Facilitators



South Dakota v. Wayfair

June 21, 2018: Supreme Court Decision

Overturns “physical presence” rule for tax registration established in 1992 case *Quill v. North Dakota*

Sellers not maintaining a physical presence in a state may now be required by states to register for the collection and remittance of sales tax due on sales made into the state.



South Dakota v. Wayfair

Following the *Wayfair* decision, a majority of states have enacted legislation requiring remote sellers to register for the collection and remittance of sales tax

- **As of August 1, 2020, Missouri and Florida are the only states (with a sales tax) that have not passed a “remote seller” law.**

Maine’s “remote seller” law was effective from July 1, 2018.



Marketplace Facilitator

A marketplace facilitator is not necessarily a remote seller, because a marketplace facilitator may not make direct sales of products into other states

Facilitates sales on behalf of other *marketplace sellers* (who could be *remote sellers*) on or through a *marketplace*

Maine marketplace facilitator legislation was enacted, effective October 1, 2019.

August 1, 2020: Missouri, Florida and Kansas are the only states without marketplace facilitator legislation

- **(Although some states' laws may be effective later this year or in future years)**



Remote Seller

Remote Seller: is a seller without substantial physical presence in Maine who sells tangible personal property or taxable services into Maine. Remote Sellers could include Marketplace Sellers.



Marketplace Facilitators

Marketplace: a physical or electronic location – including stores, booths, internet websites, or dedicated sales software applications – where tangible personal property and/or taxable services are offered for sale.



Marketplace Facilitators

Marketplace Facilitator: A business or person who facilitates retail sales by providing or operating a marketplace.

Lists, advertises, stores, or processes orders for tangible personal property or taxable services for sale by Marketplace Sellers and engages in one or more of the following activities:



Marketplace Facilitators

- Transmits or otherwise communicates an offer by the marketplace seller to potential buyers, or
- Transmits or otherwise communicates an acceptance between the customer and the marketplace seller;
- Collects payment from the customer and transmits that payment to the marketplace seller;
- Fulfillment or storage services, customer service, or assisting or accepting returns or exchanges with respect to the marketplace seller's tangible personal property or taxable services.



Marketplace Facilitators

Marketplace Seller: Any person or business that makes sales of tangible personal property or taxable services through a Marketplace operated by a Marketplace Facilitator.



Difference Between **Remote Seller** and **Marketplace Seller**

A Remote Seller is a seller without substantial physical presence in Maine who sells tangible personal property or taxable services into Maine.

A Marketplace Seller is a seller who makes sales through a marketplace.

- **A Marketplace Seller *could have* substantial physical presence in Maine.**
- **A Marketplace Seller *could be* a Remote Seller.**



Registration Requirements

Remote Sellers, Marketplace Facilitators, and Marketplace Sellers *may* be required to register with MRS for the purpose of collecting and remitting sales tax.



Registration Requirements

Remote Sellers:

- **Required since July 1, 2018**
- **Register when the Remote Seller:**
 - Has gross sales from delivery of tangible personal property or taxable services into Maine in the previous calendar year or current calendar year exceeds \$100,000; or
 - Sells tangible personal property or taxable services for delivery into Maine in at least 200 separate transactions in the previous calendar year or current calendar year.



Registration Requirements

Marketplace Facilitators:

- **Required since October 1, 2019**
- **Register when the Marketplace Facilitator:**
 - Has gross sales from delivery of tangible personal property or taxable services into Maine in the previous calendar year or current calendar year exceeds \$100,000; or
 - Sells or facilitates sales of tangible personal property or taxable services for delivery into Maine in at least 200 separate transactions in the previous calendar year or current calendar year.



Registration Requirements

Marketplace Facilitators:

- **For the purposes of determining whether the Marketplace Facilitator has exceeded the thresholds, the Marketplace Facilitator's gross sales and total number of transactions include**
 - Sales facilitated on behalf of Marketplace Sellers *and*
 - Any direct sales made by the Marketplace Facilitator.



Registration Requirements

Marketplace Sellers:

- **If Marketplace Seller has substantial physical presence in Maine, required to register for sales tax regardless of their volume of sales.**
- **If Marketplace Seller does not have substantial physical presence in Maine:**
 - May need to register, if their direct sales (not facilitated sales) exceed the Remote Seller thresholds



Reporting for Marketplace Facilitators

Marketplace Facilitator is considered the retailer for each sale of tangible personal property or taxable services for delivery into Maine that the Marketplace Facilitator facilitates on or through its Marketplace.

Marketplace Facilitators are required to provide a written statement to Marketplace Sellers selling through the marketplace

- **The written statement must explicitly provide that the Marketplace Facilitator will collect and remit the tax on all taxable sales the Marketplace Facilitator facilitates for the Marketplace Seller.**



Reporting for Marketplace Facilitators

If Marketplace Facilitator only facilitates sales on behalf of Marketplace Sellers:

All sales of Marketplace Sellers should be reported under one single tax registration number



Reporting for Marketplace Facilitators

If Marketplace Facilitator facilitates sales on behalf of Marketplace Sellers and makes direct sales:

- **Marketplace Facilitator should have a separate sales tax number to report direct sales**
- **The two accounts may be reported under a consolidated return**



Reporting for Marketplace Sellers

Marketplace Seller (required to report)

- **Includes facilitated sales in the Marketplace Seller's gross sales**
- **Sales facilitated by Marketplace Facilitator included in Marketplace Seller's exempt sales, when Marketplace Facilitator has provided the written statement to Marketplace Seller**
- **If Marketplace Seller has not received the written statement from the Marketplace Facilitator, facilitated sales are included in taxable sales and Marketplace Seller reports the tax.**



Contacting the Sales Tax Division



(207) 624-9693

9 AM – 12 PM M-F, state holidays excepted



sales.tax@maine.gov

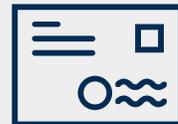


(207) 287-6628



www.maine.gov/revenue

Select "Sales, Use & Service Provider Tax" under "Tax Divisions"



**Maine Revenue Services
Sales, Fuel & Special Tax Division
P.O. Box 1060
Augusta, ME 04332-1060**

Thank You