



# MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION INSTRUCTIONAL BULLETIN NO. 47

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## ORIGINAL REGISTRATION OF WATERCRAFT, SNOWMOBILES AND ALL-TERRAIN VEHICLES

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This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. It contains general and specific information of interest as well as interpretations and determinations by Maine Revenue Services regarding issues commonly faced by your business. Portions of the Sales and Use Tax Law (Title 36, Part 3) referred to in this bulletin can be found in Attachment #1. Also attached are applicable Sales and Use Tax Rules.

A properly completed Dealer's Certificate (Form STMV-6) or Use Tax Certificate (Form STMV-6U) must be presented whenever a taxable watercraft, snowmobile or all-terrain vehicle ("ATV") is being registered. When a Dealer's Certificate is submitted, the person seeking registration is not liable for the Maine use tax. When the person seeking registration does not present the Dealer's Certificate, the Use Tax Certificate must be fully completed.

Whenever a Use Tax Certificate indicates that tax is due, the tax must be paid before the registration is issued.

### 1. DEALER'S CERTIFICATE

Maine dealers must provide their customers with a Dealer's Certificate showing either that the sales tax has been collected by the dealer, or that the sale is exempt or otherwise not subject to tax. A properly completed Dealer's Certificate must be submitted to the registering agent as a prerequisite to any original registration.

It is the responsibility of Maine dealers to collect and report the sales tax on all retail sales made in this State, unless the purchaser qualifies for one of the tax exemptions discussed below. A Maine dealer does not have the option of allowing customers to pay the use tax directly to the registering agent at the time of registration, and the dealer will be held accountable for the tax on all taxable retail sales.

### 2. USE TAX CERTIFICATE

**a. Watercraft.** Watercraft purchased at casual sale are subject to Maine use tax. Watercraft purchased from dealers located outside this State are also subject to the Maine use tax unless a statutory exemption applies. Any person who seeks an original registration for a watercraft without presenting the Dealer's Certificate must fully complete the Use Tax Certificate. When the Use Tax Certificate indicates that the tax is due, it must be paid before the registration is issued.

**a. Snowmobiles and ATVs.** Snowmobiles and ATVs purchased from dealers located outside this State are subject to the Maine use tax unless a statutory exemption applies. Any person who seeks an original registration for a snowmobile or ATV purchased outside of Maine without presenting the Dealer's Certificate must fully complete the Use Tax Certificate. When the Use Tax Certificate indicates that the tax is due, it must be paid before the registration is issued.

A Use Tax Certificate may be obtained from the Department of Inland Fisheries and Wildlife or its registering agents, or from the Maine Revenue Services Sales, Fuel & Special Tax Division. Registering agents may obtain a supply of certificates by contacting Maine Revenue Services.

### **3. TAX EXEMPTIONS**

An applicant for the original registration of a watercraft, snowmobile or ATV who claims exemption from sales and use tax can register the item without payment of tax only by providing evidence that satisfies the conditions of one of the exemptions described below. The documentation supporting the exemption, or a copy of it, should be attached to the Use Tax Certificate. When the documentation cannot be attached, the registration agent should examine the documentation and write his or her initials and the notation "SEEN" next to the completed exemption section on the Use Tax Certificate. Maine Revenue Services may, upon review of the Use Tax Certificate, request a copy of the document from the registrant.

**a. Snowmobiles and ATVs purchased in Maine by nonresident individuals.** Snowmobiles and ATVs purchased by nonresident *individuals* are exempt from sales tax when purchased in Maine. An individual must be domiciled (that is, be a legal resident of) a state or jurisdiction other than Maine in order to be eligible for this exemption.

**b. Prior use of a snowmobile or ATV outside the state of Maine.** A snowmobile or ATV that was purchased, registered and used by the present owner outside the State of Maine, where the owner was an individual who is not a resident of Maine, is exempt from the Maine use tax. Applicants who claim this exemption should provide a copy of their initial out-of-state registration of the snowmobile or ATV.

**c. Prior use of a watercraft outside the state of Maine.** A watercraft that was purchased, registered and used by the present owner outside the State of Maine, where the owner was an individual and a resident of another state at the time of purchase and the watercraft is present in Maine not more than 30 days during the 12 months following its purchase for a purpose other than temporary storage, is exempt from the Maine use tax. Applicants who claim this exemption should provide a copy of their initial out-of-state registration of the watercraft.

**d. Watercraft purchased for use in commercial fishing or commercial aquaculture.** A watercraft that is used directly and primarily for commercial fishing or commercial aquaculture qualifies for exemption. This exemption can be claimed only by persons who have been certified by Maine Revenue Services. Such persons claim this exemption by indicating "fishing" or "aquaculture" and the number shown on their exemption card in the "Other" section on the Use Tax Certificate. Claims by persons who do not have the

exemption card are not acceptable; they must pay the tax and apply to Maine Revenue Services for certification and a refund.

**e. Watercraft purchased in Maine by nonresidents.** Nonresidents can purchase watercraft exempt from sales tax when the watercraft is intended to be sailed or transported outside the State immediately upon delivery by the seller. However, if that watercraft is present in Maine for more than 30 days during the 12-month period following its date of purchase, or is registered in Maine without also being registered in another state or documented with a location in Maine, within 12 months of the date of purchase, the person registering it becomes liable for Maine use tax based on the purchase price.

**f. Government Agencies and Exempt Organizations.** Sales made directly to the Federal government, the State of Maine or any political subdivision of this State, or to any unincorporated agency of the above, are exempt from sales or use tax. In addition to counties, cities, towns or plantations in the State of Maine, this exemption covers sales to school districts in Maine; water, power, parking, sewer and other districts in Maine established by legislative act as quasi-municipal corporations; village corporations; and the Maine Turnpike Authority. No exemption number is issued to the above agencies of government, but the name of the exempt agency and the signature of an authorized individual must be included on the Use Tax Certificate or Dealer's Certificate.

The Sales and Use Tax Law also provides exemptions for various organizations, including hospitals, certain schools, and regularly organized churches or houses of religious worship. To be entitled to purchase vehicles free of tax, the organization must have been issued a certificate of exemption by Maine Revenue Services. When a motor vehicle is sold to an exempt organization, the exemption permit number (a five-digit number prefixed by the letter "E") must be entered in the appropriate box of the Dealer's Certificate or Use Tax Certificate if an exemption is claimed. Sales to organizations that do not hold and provide an exemption certificate are deemed taxable.

**Please note that this exemption does *not* apply to sales to clergy or to staff members or employees of exempt organizations.**

#### **4. DETERMINING THE AMOUNT SUBJECT TO TAX**

The use tax is based on the full purchase price, whether given in money or otherwise. The cost for any attachments, accessories and any services performed prior to the sale must be included in the taxable purchase price. For example, an outboard motor sold with a watercraft is subject to the use tax. When the sale includes any accessory such as a boat cover or sails, or when the sale includes any service such as painting, storing or repairing, the cost for these items must be included in the taxable purchase price. However, boat trailers and vehicle trailers are not accessories, nor are they part of a watercraft or vehicle. These trailers are not subject to the use tax when they are purchased at casual sale. When the cost for such a trailer is not separately stated, the person seeking registration may make a reasonable estimate of its cost and reduce the taxable purchase price by that amount. For more information, see Instruction Bulletin No. 39 ("Sale Price Upon Which Tax Is Based").

**a. Trade-In Credit.** The Maine Sales and Use Tax Law provides a credit for a trade-in on certain kinds of property, including motor vehicles, when the trade-in is of the same kind as the property purchased. Both snowmobiles and all-terrain vehicles are included in the sales tax definition of "motor vehicle." Therefore, when a watercraft is traded-in on a watercraft, or when an all-terrain vehicle or a snowmobile is traded-in on either an all-terrain vehicle or a snowmobile, the allowance for the trade-in is creditable against the taxable purchase price.

When the item traded in is not of the same kind, such as when a snowmobile -- or a refrigerator -- is traded for a boat, the trade-in allowance becomes part of the purchase price and is subject to the tax. Attached motors, electronic and mechanical equipment and other machinery are considered part of a watercraft. When these items are attached to a watercraft being traded, their cost is part of the trade-in allowance. A boat trailer or a vehicle trailer is not part of a watercraft or a vehicle and therefore the cost of the trailer must be excluded from any trade-in allowance credited against the taxable purchase price.

This "like kind" trade-in credit allowance also applies to certain other items; see Section 1765 of the Sales and Use Tax Law (included in Attachment #1).

**b. Credit allowed for sales tax paid to other taxing jurisdictions.** Credit is allowed for sales or use tax paid to other taxing jurisdictions against any Maine use tax that may be due. An applicant for original registration who claims credit for sales tax paid to another taxing jurisdiction must so indicate on the Use Tax Certificate and must provide a receipt of payment of such tax before credit will be allowed against the Maine use tax due on the transaction.

## 5. SPECIAL SITUATIONS

**a. Registration by a dealer.** Dealers are not subject to the tax on property which they use only for demonstration or display while holding it in their inventory. Dealers who want to register property for demonstration or display must obtain a dealer's registration from the Department of Inland Fisheries and Wildlife. A dealer who seeks the standard registration for pleasure use is subject to the use tax.

**b. Transfer of equity.** Where an individual takes possession of a watercraft, snowmobile or all-terrain vehicle from the original purchaser and assumes payment of the remaining balance on an existing loan, the transaction will be considered a casual sale. The use tax is payable by the individual assuming payments, based on the amount of the loan balance. Since insurance and finance charges are not subject to tax, the purchaser should obtain a "close-out" figure from the financial institution as a basis on which to pay the use tax.

**c. Sales by estates.** All sales of watercraft, snowmobiles and all-terrain vehicles by personal representatives of estates are taxable. However, a vehicle received by a beneficiary of a decedent is not taxable, as the transaction is not in the nature of a sale.

**d. Purchases through a broker.** Dealers are not required to collect the sales tax or issue a Dealer's Certificate for a bona fide brokerage sale. Unless the purchaser

voluntarily paid the sales tax to the dealer and submits the Dealer's Certificate indicating that the tax was paid, the use tax is due prior to registration.

**e. Vehicles purchased by military personnel.** Vehicles purchased by military personnel are subject to use tax in exactly the same way as purchases by a civilian.

## **6. ADDITIONAL INFORMATION**

The information in this bulletin addresses some of the more common questions regarding the Sales and Use Tax Law faced by your business. It is not intended to be all inclusive. Requests for information on specific situations should be in writing, should contain full information as to the transaction in question and should be directed to the:

**MAINE REVENUE SERVICES  
SALES, FUEL & SPECIAL TAX DIVISION  
P.O. BOX 1065  
AUGUSTA, ME 04332-1065  
TEL: (207) 624-9693  
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**ATTACHMENT #1**  
**Excerpts from Maine Revised Statutes, Title 36**

**§1752. Definitions**

The following words, terms and phrases when used in chapters 211 to 225 have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

**7. Motor vehicle.** "Motor vehicle" means any self-propelled vehicle designed for the conveyance of passengers or property on the public highways. "Motor vehicle" includes an all-terrain vehicle and a snowmobile as defined in Title 12, §13001.

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

A. "Retail sale" includes:

(1) Conditional sales, installment lease sales and any other transfer of tangible personal property when the title is retained as security for the payment of the purchase price and is intended to be transferred later;

(2) Sale of products for internal human consumption to a person for resale through vending machines when sold to a person more than 50% of whose gross receipts from the retail sale of tangible personal property are derived from sales through vending machines. The tax must be paid by the retailer to the State;

(3) A sale in the ordinary course of business by a retailer to a purchaser who is not engaged in selling that kind of tangible personal property or taxable service in the ordinary course of repeated and successive transactions of like character; and

(4) The sale or liquidation of a business or the sale of substantially all of the assets of a business, to the extent that the seller purchased the assets of the business for resale, lease or rental in the ordinary course of business, except when:

(a) The sale is to an affiliated entity and the transferee, or ultimate transferee in a series of transactions among affiliated entities, purchases the assets for resale, lease or rental in the ordinary course of business; or

(b) The sale is to a person that purchases the assets for resale, lease or rental in the ordinary course of business or that purchases the assets for transfer to an affiliate, directly or through a series of transactions among affiliated entities, for resale, lease or rental by the affiliate in the ordinary course of business.

For purposes of this subparagraph, "affiliate" or "affiliated" includes both direct and indirect affiliates.

B. "Retail sale" does not include:

(1) Any casual sale;

- (2) Any sale by a personal representative in the settlement of an estate, unless the sale is made through a retailer, or unless the sale is made in the continuation or operation of a business;
- (3) The sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented on a short-term basis;
- (4) The sale, to a person engaged in the business of renting video tapes and video equipment, of video tapes or video equipment for rental;
- (5) The sale, to a person engaged in the business of renting or leasing automobiles, of automobiles for rental or lease for one year or more; or
- (6) The sale, to a person engaged in the business of providing cable or satellite television services, of associated equipment for rental or lease to subscribers in conjunction with a sale of extended cable or extended satellite television services;
- (7) The sale, to a person engaged in the business of renting furniture, or audio media and audio equipment, of furniture, audio media or audio equipment for rental pursuant to a rental-purchase agreement as defined in Title 9-A, section 11-105;
- (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant to Title 29-A, section 953;
- (9) The sale of automobile repair parts used in the performance of repair services on an automobile pursuant to an extended service contract sold on or after September 20, 2007 that entitles the purchaser to specific benefits in the service of the automobile for a specific duration;
- (10) The sale, to a retailer that has been issued a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in the form of tangible personal property, except resale as a casual sale;
- (11) The sale, to a retailer that has been issued a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except resale as a casual sale;
- (12) The sale, to a retailer that is not required to register under section 1754-B, of tangible personal property for resale outside the State in the form of tangible personal property, except resale as a casual sale; or
- (13) The sale, to a retailer that is not required to register under section 1754-B, of a taxable service for resale outside the State, except resale as a casual sale.

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

A. "Sale price" includes:

- (1) Any consideration for services that are a part of a retail sale; and
- (2) 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.

B. "Sale price" does not include:

- (1) Discounts allowed and taken on sales;
- (2) Allowances in cash or by credit made upon the return of merchandise pursuant to warranty;
- (3) The price of property returned by customers, when the full price is refunded either in cash or by credit;
- (4) The price received for labor or services used in installing or applying or repairing the property sold, if separately charged or stated;
- (5) 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, motel, restaurant or other eating establishment to its employees as wages;
- (6) 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;
- (7) The cost of transportation from the retailer's place of business or other point from which shipment is made directly to the purchaser, provided that those charges are separately stated and the transportation occurs by means of common carrier, contract carrier or the United States mail;
- (8) The fee imposed by Title 10, section 1169, subsection 11;
- (9) The fee imposed by section 4832, subsection 1;
- (10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection 2-B;
- (11) 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; or
- (12) The premium on motor vehicle oil changes imposed by Title 10, section 1020, subsection 6.

**24. Watercraft.** "Watercraft" means any type of vessel, boat, canoe or craft designed for use as a means of transportation on water, other than a seaplane, including motors, electronic and mechanical equipment and other machinery, whether permanently or temporarily attached, which are customarily used in the operations of the watercraft.

**§1755. No registration unless tax paid**

Whenever tangible personal property is required by the laws of this State to be registered for use within the State, the applicant for registration, whether or not the owner, must either pay the sales tax or use tax or prove that the tax is not due. The applicant shall file a dealer's certificate or use tax certificate with the registering agency in a form prescribed by the State Tax Assessor reporting the name of the seller, the date of purchase, the sale price and other information pertinent to determination of tax liability. The registering agency shall forward the certificate promptly to the Bureau of Revenue Services.

**§1760. Exemptions**

Subject to the provisions of section 1760-C, no tax on sales, storage or use may be collected upon or in connection with:

**23-C. Certain vehicles purchased or leased by nonresidents.** Sales or leases of the following vehicles to a person that is not a resident of this State, if the vehicle is intended to be driven or transported outside the State immediately upon delivery:

A. Motor vehicles, except:

(1) Automobiles rented for a period of less than one year; and

(2) All-terrain vehicles and snowmobiles as defined in Title 12, section 13001;

B. Semitrailers;

C. Aircraft; and

E. Camper trailers, including truck campers.

If the vehicles are registered for use in the State within 12 months of the date of purchase, the person seeking registration is liable for use tax on the basis of the original purchase price.

**25. Watercraft sold to nonresidents.** Sales of watercraft to a person that is not a resident of this State, when the watercraft is intended to be sailed or transported outside the State immediately upon delivery by the seller; sales to a person that is not a resident of this State, under contracts for the construction of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller, of materials to be incorporated in the watercraft; and sales to a person that is not a resident of this State for the repair, alteration, refitting, reconstruction, overhaul or restoration of a watercraft intended to be sailed or transported outside the State immediately upon delivery by the seller, of materials to be incorporated in the watercraft. Unless the watercraft is present in the State, for a purpose other than temporary storage, for more than 30 days during the 12-month period following its date of purchase or is registered in Maine without also being registered in another state or documented with a location in this State, within 12 months of the date of purchase, the purchaser is exempt from the use tax.

**25-A. All-terrain vehicles.** Sales of all-terrain vehicles, as defined in Title 12, section 13001, purchased by an individual who is not a resident of this State.

**25-B. Snowmobiles.** Sales of snowmobiles, as defined in Title 12, section 13001, subsection 25, purchased by an individual who is not a resident of this State.

**41. Certain instrumentalities of interstate or foreign commerce.** The sale of a vehicle, railroad rolling stock, aircraft or watercraft that is placed in use by the purchaser as an instrumentality of interstate or foreign commerce within 30 days after that sale and that is used by the purchaser not less than 80% of the time for the next 2 years as an instrumentality of interstate or foreign commerce. The State Tax Assessor may for good cause extend for not more than 60 days the time for placing the instrumentality in use in interstate or foreign commerce. For purposes of this subsection, property is "placed in use as an instrumentality of interstate or foreign commerce" by its carrying of, or providing the motive power for the carrying of, a bona fide payload in interstate or foreign commerce, or by being dispatched to a specific location at which it will be loaded upon arrival with, or will be used as motive power for the carrying of, a payload in interstate or foreign commerce. For purposes of this subsection, "bona fide payload" means a cargo of persons or property transported by a contract or common carrier for compensation that exceeds the direct cost of carrying that cargo or pursuant to a legal obligation to provide service as a public utility or a cargo of property transported in the reasonable conduct of the purchaser's own nontransportation business in interstate commerce.

**45. Certain property purchased outside State.** Sales of property purchased and used by the present owner outside the State:

A. If the property is an automobile, as defined in Title 29-A, section 101, subsection 7, and if the owner is an individual who was, at the time of purchase, a resident of the other state and either employed or registered to vote there;

A-1. If the property is a watercraft that is registered outside the State by an owner who is an individual who was a resident of another state at the time of purchase and the watercraft is present in the State not more than 30 days during the 12 months following its purchase for a purpose other than temporary storage;

A-2. If the property is a snowmobile or all-terrain vehicle as defined in Title 12, section 13001 and the purchaser is an individual who is not a resident of the State;

A-3. If the property is an aircraft not exempted under subsection 88 and the owner at the time of purchase was a resident of another state or tax jurisdiction and the aircraft is present in this State not more than 20 days during the 12 months following its purchase, exclusive of days during which the aircraft is in this State for the purpose of undergoing "major alterations," "major repairs" or "preventive maintenance" as those terms are described in 14 Code of Federal Regulations, Appendix A to Part 43, as in effect on January 1, 2005. For the purposes of this paragraph, the location of an aircraft on the ground in the State at any time during a day is considered presence in the State for that entire day, and a day must be disregarded if at any time during that day the aircraft is used to provide free emergency or compassionate air transportation arranged by an incorporated nonprofit organization providing free air transportation in private aircraft by volunteer pilots so children and adults may access life-saving medical care; or

B. For more than 12 months in all other cases.

Property, other than automobiles, watercraft, snowmobiles, all-terrain vehicles and aircraft, that is required to be registered for use in this State does not qualify for this exemption unless it was registered by its present owner outside this State more than 12 months prior to its registration in this State. If property required to be registered for use in this State was not required to be registered for use outside this State, the owner must be able to document actual use of the property outside this State for more than 12 months prior to its registration in this State. For purposes of this subsection, "use" does not include storage but means actual use of the property for a purpose consistent with its design.

### **§1760-C. Exempt activities**

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 tax exemptions provided by section 1760 to a person based upon its charitable, nonprofit or other public purposes do not apply where title is held or taken by the person as security for any financing arrangement. Exemption certificates issued by the State Tax Assessor pursuant to section 1760 must identify the exempt activity and must state that the certificate may be used by the holder only when purchasing property or services intended to be used by the holder primarily in the exempt activity. When an otherwise qualifying person is engaged in both exempt and nonexempt activities, an exemption certificate may be issued to the person only if the person has established to the satisfaction of the assessor that the applicant has adequate accounting controls to limit the use of the certificate to exempt purchases.

### **§ 1763. Presumptions**

The burden of proving that a transaction was not taxable is on the person charged with tax liability. The presumption that a sale was not for resale may be overcome during an audit or upon reconsideration if the seller proves that the purchaser was the holder of a currently valid resale certificate as provided in section 1754-B at the time of the sale or proves through other means that the property purchased was purchased for resale by the purchaser in the ordinary course of business. Notwithstanding section 1752, subsection 11, paragraph B, if the seller satisfies the seller's burden of proof, the sale is not considered a retail sale.

### **§1764. Tax against certain casual sales**

The tax imposed by chapters 211 to 225 must be levied upon all casual rentals of living quarters in a hotel, rooming house or tourist or trailer camp and upon all casual sales involving the sale of trailers, truck campers, motor vehicles, special mobile equipment except farm tractors and lumber harvesting vehicles or loaders, watercraft or aircraft except those sold for resale at retail sale or to a corporation, partnership, limited liability company or limited liability partnership when the seller is the owner of a majority of the common stock of the corporation or of the ownership interests in the partnership, limited liability company or limited liability partnership. This section does not apply to the rental of living quarters rented for a total of fewer than 15 days in the calendar year, except that a person who owns and offers for rental more than

one property in the State during the calendar year is liable for collecting sales tax with respect to the rental of each unit regardless of the number of days for which it is rented.

### **§1765. Trade-in credit**

When one or more items in one of the following categories are traded in toward the sale price of another item in that same category, the tax imposed by this Part must be levied only upon the difference between the sale price of the purchased property and the trade-in allowance of the property taken in trade. This section does not apply to transactions between dealers involving exchange of the property from inventory:

- 1. Motor vehicles.** Motor vehicles;
- 3. Watercraft.** Watercraft;
- 4. Aircraft.** Aircraft;
- 6. Chain saws.** Chain saws;
- 7. Special mobile equipment.** Special mobile equipment;
- 8. Trailers.** Trailers; or
- 9. Truck campers.** Truck campers.

The trade-in credit allowed by this section is not available unless the items traded are in the same category, except that when a truck camper is taken in trade for a camper trailer or a camper trailer is taken in trade for a truck camper, the tax must be levied only upon the difference between the sale price of the purchased property and the trade-in allowance of the property taken in trade.

### **§1811. Sales tax**

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house, tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile, including a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of prepared food; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided. The value of rental for a period of less than one year of an automobile is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee.

The tax imposed upon the sale and distribution of gas, water or electricity, or telecommunications services, by any public utility, the rates for which sale and distribution are established by the Public Utilities Commission, must be added to the rates so established.

Rental or lease of an automobile for one year or more must be taxed at the time of the lease or rental transaction at 5% of the following: the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment. Collection and remittance of the tax is the responsibility of the person that negotiates the lease transaction with the lessee.

#### **§1862. Taxes paid in other jurisdictions**

The use tax provisions of chapters 211 to 225 shall not apply with respect to the use, storage or consumption in this State of purchases outside the State where the purchaser has paid a sales or use tax equal to or greater than the amount imposed by chapters 211 to 225 in another taxing jurisdiction, the proof of payment of the tax to be according to rules made by the State Tax Assessor. If the amount of tax paid in another taxing jurisdiction is not equal to or greater than the amount of tax imposed by chapters 211 to 225, then the purchaser shall pay to the State Tax Assessor an amount sufficient to make the tax paid in the other taxing jurisdiction and in this State equal to the amount imposed by chapters 211 to 225.

#### **§1952-A. Payment of tax on vehicles and recreational vehicles**

The tax imposed by this Part on the sale or use of any vehicle, snowmobile, all-terrain vehicle or watercraft must, except where the dealer has collected the tax in full, be paid by the purchaser or other person seeking registration of the vehicle, snowmobile, all-terrain vehicle or watercraft at the time and place of registration. In the case of vehicles, the tax must be collected by the Secretary of State and transmitted to the Treasurer of State as provided by Title 29-A, section 409. In the case of watercraft, snowmobiles and all-terrain vehicles, the tax must be collected by the Commissioner of Inland Fisheries and Wildlife and transmitted to the Treasurer of State as provided by Title 12, sections 13002 to 13005.

#### **§1955-C. Assessment for vehicles**

Certificates forwarded to the State Tax Assessor under Title 29-A, section 409, subsection 4 or Title 12, section 13003, must be treated as returns filed under this Title for purposes of section 141.