



# MAINE REVENUE SERVICES

*SALES, USE & SERVICE PROVIDER TAX  
SYMPOSIUM*

**Registration  
of  
Vehicles**

REGISTRATION OF VEHICLES

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Purpose of today

- Explain change in procedure
- Provide sales/use tax information
- Answer questions

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What's happening?

- Effective July 1, 2012
  - Eliminate ST-6
  - Bill of sale will be used by customer to prove sales tax paid
  - Title data will be used by MRS to verify reporting of sales

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## Why?

- Sales tax began July 1, 1951
  - 60 year old process
  - Compliance tool
- Modernize and streamline
  - Remove duplicative work
  - Take advantage of electronic data

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## Terms

- Terms used today
- Common understanding

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## Motor Vehicles

***"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 as defined in Title 12, section 7851 and a snowmobile as defined in Title 12, section 7821.***

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## **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.*

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## **Aircraft**

*"Aircraft" means any powered contrivance designed for navigation in the air except a rocket or missile.*

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## **Special Mobile Equipment**

*"Special mobile equipment" means any self-propelled vehicle not designed or used primarily for the transportation of persons or property that may be operated or moved only incidentally over the highways, including, but not limited to, road construction or maintenance machinery, farm tractors, lumber harvesting vehicles or loaders, ditch-digging apparatus, stone crushers, air compressors, power shovels, cranes, graders, rollers, well drillers and wood sawing equipment.*

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## Trailers

*"Trailer" means a vehicle without motive power and mounted on wheels that is designed to carry persons or property and to be drawn by a motor vehicle and not operated on tracks. "Trailer" includes a camper trailer as defined in section 1481, subsection 1-A.*

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## Truck Camper

*" Truck camper" means a slide-in camper designed to be mounted on a truck body to provide temporary living quarters for recreational, camping, travel or other use.*

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Why does this process exist?

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**No registration unless tax paid  
MRS**

*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.*

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**No registration unless tax paid  
BMV**

*The Secretary of State shall act at the time and place of registration on behalf of the State Tax Assessor to collect the sales or use tax due under Title 36, Part 3 for a vehicle or truck camper for which an original registration is required.*

**29-A MRSA §409**

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**No registration unless tax paid  
BMV**

*Registration may not be issued, unless in addition to meeting the other registration requirements of this Title, the applicant has:*

**A. Submitted a dealer's certificate in a form prescribed by the State Tax Assessor, showing either that:**

**(1) The sales tax due has been collected by the dealer; or**

**(2) The sale of the vehicle or truck camper is not subject to tax; or**

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**No registration unless tax paid  
BMV**

*Registration may not be issued, unless in addition to meeting the other registration requirements of this Title, the applicant has:*

**B. Properly signed a use tax certificate in a form prescribed by the State Tax Assessor and:**

- (1) Paid the amount of tax due; or**
- (2) Shown that the sale or use of the vehicle or truck camper is not subject to tax.**

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**No registration unless tax paid  
IF&W**

*The commissioner or agents of the commissioner shall act on behalf of the State Tax Assessor to collect the use tax due under Title 36, chapters 211 to 225 in respect to any watercraft, snowmobile or ATV for which an original registration is required under this Title at the time and place of registration of that watercraft, snowmobile or ATV.*

**12 MRSA §13002**

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**No registration unless tax paid  
IF&W**

*1. Registration of watercraft. Except in the case of a renewal of registration by the same owner, an application for the registration of a watercraft may not be granted when the sale or use of that watercraft may be subject to tax under Title 36, chapters 211 to 225, unless one of the following conditions has been satisfied:*

**A. The applicant has submitted a dealer's certificate in a form prescribed by the State Tax Assessor, showing either that the sales tax due in respect to the watercraft in question has been collected by the dealer or that the sale of the watercraft is exempt from or otherwise not subject to tax under Title 36, chapters 211 to 225;**

**B. The applicant has properly executed and signed a use tax certificate in the form and manner prescribed by the State Tax Assessor and paid the amount of tax shown therein to be due; or**

**C. The applicant has properly executed and signed a use tax certificate in the form and manner prescribed by the State Tax Assessor showing that the sale or use of the watercraft in question is exempt from or otherwise not subject to tax under Title 36, chapters 211 to 225.**

**12 MRSA §13003**

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## No registration unless tax paid IF&W

2. Registration of snowmobile or ATV. Prior to registering a snowmobile or ATV, an agent of the commissioner shall collect sales or use tax due. Sales or use tax is due unless:

A. The person registering the snowmobile or ATV is not a resident of this State. Nonresidents are exempt from sales or use tax on snowmobiles under Title 36, section 1760, subsection 25-B and on ATVs under Title 36, section 1760, subsection 25-A;

B. The registration is a renewal registration by the same owner;

C. The applicant possesses a dealer's certificate showing that the sales tax was collected by the dealer. The State Tax Assessor shall prescribe the form of a dealer's certificate; or

D. The snowmobile or ATV is otherwise exempt from sales or use tax under Title 36, section 1760.

12 MRSA §13003

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## The Dealer Certificate aka "The Greenie"

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## Dealer's Certificate

- The form of past version – ST-6 ("greenie")
- Manual review process
  - ST-6 against dealer reported sales
- The future version – Bill of Sale ("BOS") or Retail Buyers Order Form ("RBO")
- Modernized process
  - Electronic title and registration data against dealer reported sales

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**Dealer's Certificate**

- Agent must see BOS or RBO
- On sales and lease transactions
- BOS needs
  - Dealer name
  - Purchaser name
  - Vehicle info
  - Sales tax amount
    - If exempt, "EXEMPT" should be on sales tax line

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**Dealer's Certificate**

- If BOS confirms sales tax or exempt
  - Give BOS back to registrant
  - No need to obtain or make copy
  - DO NOT send to MRS
- If BOS does not confirm sales tax or exemption
  - Return to dealer or
  - Complete a Use Tax Certificate
    - Attach documentation if available

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**Title Application**

- Confirm seller information is on title app
- Confirm dealer plate number is on title app

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The Use Tax Certificate  
aka  
ST-6-U

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- Use Tax Certificate (ST-6-U)
- ST-6-U is a tax return filed by the registrant
  - Form needs to be fully completed
  - Will be revising form regarding language above signature line
    - Agents are only collecting tax on behalf of State Tax Assessor
    - Returns will be audited
  - Call MRS with any tax questions, not BMV or IF&W
  - Attach BOS if available

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- Vehicles Registered by Dealer
- If own taxable use, dealer should complete Use Tax Certificate
    - Pay use tax at time of registration or
    - Clearly indicate Dealer sales tax number with claim of tax accrual
  - Loaner vehicle, short-term rental and interim rentals are valid exempt uses

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## Out-of-state Dealers or Lessors

- Dealers or lessors not registered with MRS
  - Complete Use Tax Certificate
  - Pay tax or claim valid exemption

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## Casual Sales

*"Casual sale" means an isolated transaction in which tangible personal property or a taxable service is sold other than in the ordinary course of repeated and successive transactions of like character by the person making the sale.*

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## Taxable Casual Sales

*The tax imposed by chapters 211 to 225 must be levied 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 ...*

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### **“person making the sale”**

*"Person" means an individual, firm, partnership, association, society, club, corporation, financial institution, estate, trust, business trust, receiver, assignee or any other group or combination acting as a unit, the State or Federal Government or any political subdivision or agency of either government.*

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### **Casual sale exceptions**

*The tax imposed by chapters 211 to 225 must be levied upon all ... casual sales ... 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.*

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### **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;*

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### Sale price includes

- Processing or documentation fees
- Dealer prep charges
- Incoming freight or shipping charges
- Rustproofing, protection packages, installation of accessories
- Extended warranties (automobiles only)
- Manufacturer Rebates

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### Sale price excludes

- Dealer discounts
- Services after the customer takes delivery
- Federal Luxury Tax
- Title fee
- State Inspection Fee
- Finance charges
- Credit life insurance and GAP insurance

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### Trade-ins

- Motor vehicles
- Watercraft
- Aircraft
- Chain saws
- Special mobile equipment
- Trailers
- Truck campers

**BUT...**  
**only like kind trade ins allowed**

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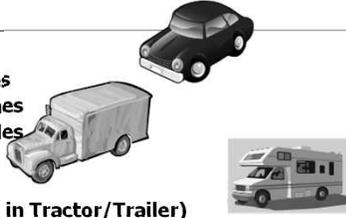
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## Motor Vehicles

- Cars
- Pickups
- Motorcycles
- Motor Homes
- Snowmobiles
- ATVs
- Bus
- Tractor (as in Tractor/Trailer)
- Truck



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## Special Mobile Equipment

- **Construction equipment**
  - Front End Loaders
  - Graders
  - Bulldozer
- **Farm equipment**
  - Tractor
  - Harvester
  - Windrowers
- **Lumber harvesting vehicles**
  - Skidders
  - Delimbers
  - Forwarder (log loader)



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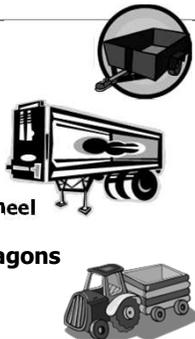
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## Trailers

- **All trailers**
- Utility
- Recreational vehicle
- Livestock
- Horse
- Boat
- Campers
  - Pop-up, tag-a-long, 5<sup>th</sup> wheel
  - But not motor homes
- Farm trailers and hay wagons



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	<p>Truck camper</p> <ul style="list-style-type: none"> <li>■ Only item that can be traded against an item not of "like kind"</li> <li>■ Trade-in credit allowed against camper trailers</li> </ul>
	

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	<p>Exemptions</p>
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	<p><b>Tax Paid to another Jurisdiction</b></p> <p><i>The tax imposed by this Part does not apply to the use, storage or other consumption in this State of tangible personal property or taxable services purchased outside the State upon which the purchaser has paid a sales or use tax imposed by another taxing jurisdiction that is equal to or greater than the tax imposed by this Part.</i></p>
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**Tax Paid to another  
Jurisdiction**

*If the amount of sales or use tax paid to another taxing jurisdiction is less than the amount of tax imposed by this Part, then the purchaser shall pay to the State Tax Assessor an amount sufficient to make the total amount of sales and use tax paid to the other taxing jurisdiction and this State equal to the amount imposed by this Part.*

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**Exempt Organizations**

- Governmental – Federal and Maine
- Schools – public and private
- Churches and houses of religious worship
- Hospitals
- Variety of healthcare, educational, religious & children organizations
- BUT NOT ALL NONPROFITS
- Certificates issued to those that qualify
- 5 digit number preceeded by an “E”

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**Automobiles to amputee  
veterans**

*Sales of automobiles to veterans who are granted free registration of such vehicles by the Secretary of State under Title 29-A, section 523, subsection 1.*

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## Amputee Veterans

- Automobiles only
- Applies to veterans who are granted free registration by Sec of State
- Not only amputee
  - Includes loss of use of ...
  - Blindness
- Letter from Veterans Administration
  - Note: Different letters for different benefits
  - Letter will state exemption from sales tax
- Applies only to sales, not leases
- Veteran can have only one of these "free registration" vehicles
- Note: Military personnel have no special treatment
  - Non-resident exemption could apply

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## Vehicles used in interstate 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.*

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## Automobiles used in driver education

*Sales to automobile dealers, registered under section 1754-B, of automobiles for the purpose of equipping the same with dual controls and loaning or leasing the same to public or private secondary schools without consideration or for a consideration of not more than \$1 a year, and used exclusively by such schools in driver education programs.*

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**Automobiles purchased outside of Maine**

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

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

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**Snowmobiles and ATVs purchased outside of Maine**

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

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

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**Watercraft purchased outside of Maine**

The purchase of a watercraft outside this State is exempt if the watercraft is registered outside the State by the purchaser and used outside the State by the purchaser and the watercraft is present in the State not more than 30 days, not including any time spent in this State for temporary storage, during the 12 months following its purchase. For purposes of this paragraph, "used outside the State" does not include storage but means actual use of the watercraft for a purpose consistent with its design.

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### Watercraft purchased outside of Maine

If, for a purpose other than temporary storage, a watercraft is present in the State for more than 30 days during the 12-month period following its date of purchase, the exemption is 60% of the sale price of the watercraft

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### Sales in Maine to nonresidents

- Sales in Maine to nonresidents for immediate removal are exempt
  - Motor vehicle, except snowmobile and ATV
  - Semitrailer
  - Camper trailers, including truck campers
  - Watercraft
  - Certain vehicles to qualifying resident businesses

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### If vehicle returns to Maine

- Other than watercraft, if used in Maine during first 12 months, purchaser subject to use tax
- Watercraft allows 30 days of use in Maine before use tax applies
  - Temporary storage does not count toward 30 days
    - Repairs
    - Winter storage
  - If more than 30 days use in Maine, subject to use tax on 40% of sale price

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**ATV sold to nonresident**

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

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**Snowmobile sold to nonresident**

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

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**Snow Grooming Equipment**

Sales to incorporated nonprofit snowmobile clubs of snowmobiles and snowmobile trail grooming equipment used directly and exclusively for the grooming of snowmobile trails.

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## Aircraft

Sales, use or leases of aircraft and sales of repair and replacement parts exclusively for use in aircraft or in the significant overhauling or rebuilding of aircraft or aircraft parts or components from July 1, 2011 to June 30, 2015.

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## Pine Tree Zones

*Sales of tangible personal property ... to a qualified Pine Tree Development Zone business, as defined in Title 30 A, section 5250 I, subsection 17, for use directly and primarily in one or more qualified business activities, as defined in Title 30 A, section 5250 I, subsection 16.*

Could include mobile equipment if the equipment is garaged at the qualifying PTZ base of operations and normally returns there for storage when not in use.

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## Commercial Farming/Fishing

- Motor vehicles including snowmobiles and ATVs and trailers designed for highway use DO NOT qualify for exemption under any circumstance
  - See back of card
- Watercraft to commercial fishermen - exempt
- Farm Tractors to commercial farmers - exempt
- No exemption for vehicles suitable for use other than in fishing or farming
  - Front end loader
  - Farmer/fishermen may qualify for refund

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### Other valid exempt reasons

- Automobile for short-term rental
- Dealer loaner vehicle
- Dual-Controlled auto used in driving training (leased by dealer to public or private school)

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### Leased vehicles

- Short-term automobile
  - Rentals of less than 12 months
  - 4 wheels designed to carry passengers or property
  - Includes pickups and vans with GVW of 10,000 pounds or less
  - No tax at registration
    - Sales tax applies to rental payments as they occur

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### Leased vehicles

- Long-term automobile
  - 12 months or more
  - If arranged by Maine dealer, same process as sale
  - If not, Use Tax Certificate (ST-6-UL) is needed
    - Use Tax applies
    - Base is total lease payments + cash down + trade equity
    - Cash down includes manufacturer rebates

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### Leased vehicles

- All other vehicles
  - If arranged by Maine dealer, same process as sale
  - Otherwise, use tax due
- True lease or lease with option
  - Tax is liability of lessor
  - Base is purchase price to lessor
  - If option to purchase is exercised, a sale occurs
- Lease in lieu = sale
  - Base is total lease payments

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### Special Situations

- Estate sales
- Divorce settlements
- Sale for resale
- Family transfers
- Corporate transfers
- Company reorganizations

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# For additional assistance:



**(207) 624-9693**



**[sales.tax@maine.gov](mailto:sales.tax@maine.gov)**



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