

Sales/Use/Indirect:

Maine Revenue Services Proposes Rule Reflecting Shift to Lease Stream Taxation of TPP Rentals

Proposed New Rule 326, "Leases and Rentals of Tangible Personal Property," Me. Rev. Serv. (3/25); Maine Tax Alert: MRS Rulemaking Activity Proposed Rule, Me. Rev. Serv. (3/25); Notice of State Agency Rulemaking, Me. Sec. of State (3/19/25). Maine Revenue Services has proposed a new rule reflecting legislation enacted in 2024 that, beginning January 1, 2025, imposes Maine sales tax on tangible personal property (including products transferred electronically) leased or rented in Maine based on each periodic lease or rental payment paid by the lessee rather than wholly upfront [see LD 2214 / HP 1420, signed by gov. 4/22/24, and *State Tax Matters*, Issue 2024-17, for more details on this 2024 legislation]. The proposed new rule includes relevant definitions, explanations, and examples of taxable and nontaxable transactions related to this shift in taxation method, as well as addresses "other potential sales and use tax issues related to such transactions, including software licenses; sourcing of leases and rentals; and the calculation of sale price for leases and rentals." Written comments on the proposed new rule are due by April 21, 2025. Please contact us with any questions.

URL: [https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-](https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/326%20Leases%20and%20Rentals%20of%20Tangible%20Personal%20Property_0.pdf)

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URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240426_8.html

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