

Out of state contractors that perform contracts in Maine are responsible for any Maine sales/use tax on the cost of any tools, supplies or equipment that are purchased for use on such jobs. If such property is brought into Maine without having any Maine sales/use tax paid, the contractor must register with Maine Revenue Services and report and remit any use taxes due. Any tools and/or equipment that have been previously owned and used by the out of state contractor for more than 12 months outside the State of Maine would not be subject to Maine sales/use tax.

For more information on contractors and subcontractors, including the Contractor's Exemption Certificate, see Information Bulletin No. 4.

.05 VOUCHERS ISSUED BY EXEMPT ORGANIZATIONS

Vouchers are sometimes issued by tax-exempt organizations to needy individuals for such items as groceries, fuel, clothing, and appliances. When such a voucher is redeemed by an individual at a retail location for a taxable product, the sale is to the individual, not to the exempt organization. The vendor must therefore charge, report and remit Maine sales tax when it invoices the exempt organization or bills a governmental agency.

.06 VOUCHERS ISSUED TO INDIVIDUALS

A. Generally. Vouchers are often issued by charitable, exempt organizations to individuals who incur a hardship or disaster of some sort. Vouchers may be issued for such things as groceries, fuel, clothing, appliances, or even an automobile. When vouchers are issued by an exempt organization to an individual for redemption at a retail location for a taxable product, the vendor is required to impose the Maine sales tax when invoicing the exempt organization. Such a sale is considered to be a sale from the retailer to the individual who is actually redeeming the voucher. The Maine tax must be collected, reported and remitted by the vendor for all such taxable sales; including those that are billed to governmental agencies. Sales made by the redemption of such vouchers are separate and distinguishable from sales made directly to the exempt organization.

B. Employees. Occasionally an exempt organization will issue a voucher to its own employee for the purchase of protective or safety equipment or clothing for job-related use. Purchase made by an employee with a voucher of this type must be accompanied by a purchase order from the issuing exempt organization in order to qualify as an exempt purchase by that organization.

.07 SALES TO (OR PURCHASES BY) GOVERNMENTAL AGENCIES

All sales to the federal government, the State of Maine and any county, city, town or municipality in the State of Maine are exempt from the Maine sales/use tax. Entities included in this category include school districts; water, power, parking or other districts established by legislative act as quasi-municipal corporations; village corporations; and the Maine Turnpike Authority.

Sales to other states and their agencies and subdivisions are taxable. Sales to foreign countries may or may not be exempt from Maine sales or use tax depending on the particular country in question, and also possibly depending also on the amount of the purchase price. The same is true for sales to foreign diplomatic personnel. For more information on sales to foreign missions and their personnel, consult the web site maintained by the US Department of State, Office of Foreign Missions, Tax Program at <http://www.state.gov/ofm/tax/> or call Maine Revenue Services.

Governmental agencies are not required to obtain a Maine Sales/Use Tax Exemption number. Sales made to governmental agencies exempt from Maine sales/use tax should be documented by listing the name of the governmental agency on the invoice or sales slip. A sale to a governmental agency cannot be paid for with cash unless it is accompanied by a purchase order in the name of the exempt governmental agency. Exempt sales cannot be paid for by personal check or personal credit card. Exempt sales must be made with a check, credit card or purchase order in the name of the exempt governmental agency.

Although governmental agencies are not required to obtain a Maine Sales/Use Tax Exemption number, Maine Revenue Services will issue such numbers to any agency that requests one. Many governmental agencies request that an exemption number be issued to them for the convenience of their vendors. Also, an agency of state or local government may request an ST-L-128 letter from MRS confirming its exempt status.

.08 SALES TO EMPLOYEES OF STATE OR FEDERAL GOVERNMENT

Certain employees of the State or Federal government agencies are issued specific credit cards which display the name of the employee together with the name of the agency. Sales that are paid for with credit cards that are billed to and paid for directly by the governmental agency are exempt from the Maine sales/use tax.

A. State employees. The State of Maine issues only one official credit card for the use of State employees, with billing directly to the State: a Mastercard issued by J. P. Morgan Chase. This card may be used only to purchase tangible items, and may not be used for meals or lodging. Purchases made by Maine state employees with any other type of credit card are subject to the Maine sales tax.

B. Federal Employees. Certain credit cards issued by the federal government to its employees are direct-billed to the federal government and are therefore exempt from Maine sales tax. However, other federally-issued cards are billed to employees who are later reimbursed, and in such cases the sales are taxable. Several cards currently issued by the U.S. Government are described below. Questions in this area should be directed to Maine Revenue Services.

Fleet card with notation "For Official Government Fleet Use Only." Purchases are centrally billed and exempt from sales tax

Purchase card with notation "For Official US Government Purchases Only US Government Tax Exempt." Purchases are centrally billed and exempt from sales tax.

Travel Card with notation “For Official Government Travel Only.”
Purchases with cards which have a 0, 6, 7, 8 or 9 in the sixth digit are exempt;
all others are taxable.

Integrated card with notation “For Official Government Use Only”
Fleet and purchase type transactions are exempt; travel purchases are exempt if
sixth digit is a 0, 6, 7, 8 or 9.

Facsimiles of these cards may be seen at:

http://www.taxadmin.org/FTA/rate/fed_cards.html

.09 Churches and Houses of Religious Worship

A. Generally; criteria applied. The following criteria are applied by the State Tax Assessor in determining whether a religious organization is a “regularly organized church or house of religious worship” for purposes of the sales/use tax exemption provided by 36 MRSA section 1760, subsection 16. These criteria are not exclusive and are not mechanically applied. No single factor is controlling, and all of the listed criteria may not be relevant to a given determination. Any other facts and circumstances that may bear upon an organization's claim that it is a church or house of religious worship are also to be taken into consideration.

1. A distinct legal existence.
2. A recognized creed and form of worship.
3. A definite and distinct ecclesiastical government.
4. A formal code of doctrine and discipline.
5. A distinct religious history.
6. A membership not associated with any other church or denomination.
7. An organization of ordained ministers.
8. Ordained ministers selected after completing prescribed studies.
9. A literature of its own.
10. Established places of worship.
11. Regular congregations.
12. Regular religious services.
14. Sunday schools for religious instruction of the young.
15. Schools for the preparation of its ministers.

B. Availability to the public. The means by which its religious purposes are accomplished are what separate a church or house of worship from other forms of religious enterprise. To qualify as a church or house of religious worship, an organization must be reasonably available to the public in its conduct of worship, its educational instruction, and its promulgation of doctrine.