

**MAINE REVENUE SERVICES**  
**SALES, FUEL AND SPECIAL TAX DIVISION**  
**RULE NO. 703 (WITH PROPOSED CHANGES)**

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**EXEMPT SALES OF CIGARETTES**

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**SUMMARY:** ~~Interprets~~ Explains the law as it pertains to the tax-exempt circumstances under which sales of cigarettes may be made free of the tax on cigarettes imposed by Title 36 MRSA Chapter 703.

**.01 SECTION 1. Sales to Exempt Agencies U.S. Government**

~~A. Cigarettes sold to an agency of the United States Government or to agencies of the United States Government are not subject to Maine cigarette tax, and therefore cigarettes so sold need not be stamped. The distributor or dealer making such sales must have in his possession retain records evidencing documenting the sale and delivery to the exempt agency of the cigarettes. Forms prescribed by the State Tax Assessor to be used for this purpose may be obtained on request from the Excise Tax Section, Bureau of Taxation~~ the Sales, Fuel and Special Tax Division of Maine Revenue Services.

~~B. Cigarettes sold to the State of Maine through purchase orders issued by the State Purchasing Department are not subject to tax, therefore cigarettes so sold need not be stamped.~~

**.02 SECTION 2. Sales for Export Under Bond**

~~Cigarettes removed under federal supervision from a federally bonded warehouse, under federal supervision for export from the United States, may be sold unstamped and free of Maine cigarette tax. This is true only in the case of withdrawal from bonded warehouses under federal supervision for export. It does not apply in any other case of alleged sale for export where delivery of the cigarettes is made in this State. Cigarettes sold from a distributor's or dealer's stock, and delivered in this State, even though the sale is claimed to be for export, are subject to the Maine Cigarette Tax.~~

**.03 SECTION 3. Sales for Delivery Outside Maine**

~~Cigarettes that do not bearing bear Maine cigarette tax stamps may be sold by a licensed distributor if the cigarettes are delivered by the distributor outside the State of Maine, provided that adequate records to substantiate the nature of the transaction, including the name and address of the purchaser, and the manner and place of delivery, are maintained by the vendor. Cigarettes not bearing Maine cigarette tax stamps cannot be sold by dealers.~~

**.04 Sales or Exchange Between Distributors or Dealers**

~~Unstamped cigarettes cannot be sold or exchanged between distributors or dealers within this State.~~

**AUTHORITY:** 36 MRSA §§112, 4379

**EFFECTIVE DATE:** June 29, 1979

**LAST AMENDED:** ~~May 1, 1966, June 29, 1979~~