



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION INSTRUCTIONAL BULLETIN NO. 10

RADIO AND TELEVISION REPAIR

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 referred to in this bulletin can be found at the end of the bulletin in Attachment #1. Also attached are applicable Sales and Use Tax Rules.

Persons engaged in radio and television repair are rendering services and selling tangible personal property.

1. SALES.

When radio or television repair involves both parts and labor, the amounts charged for labor and parts should be separately stated on the bill to the customer and the tax collected only on the parts. If the labor and parts are not stated separately, the tax must be collected on the total charge. For example, in the case of repairs to a radio involving replacement parts, if the total charge is \$70.00 the tax would be based on this amount unless the labor and parts were separately stated on the bill. If the labor was \$30.00 and the parts \$40.00 and the amounts were so stated on the bill, the tax would be based on the charge for the parts. When the repairs do not include the sale of parts, no tax is charged to the customer.

Radio or television antennas and satellite dishes are considered tangible personal property even when sold on an installed basis. When installation labor is separately stated from the price of the antenna on the bill, the tax is not imposed on the installation service. If the installation labor is not separately stated, the tax will be on the total charge.

2. PURCHASES.

a. Purchases For Own Use. On those items which the radio and television repairer uses in the business rather than sells in the form of tangible personal property, tax should be paid to the supplier on the purchase. If purchases of such items are made outside the State and tax is not paid to the supplier, tax should be reported on the sales and use tax return.

b. Purchases For Resale. When a retailer purchases tangible personal property for resale, the retailer should furnish the supplier with a resale certificate as provided in Rule 301. The certificate will enable the retailer to purchase tangible personal property for resale without payment of sales tax. Only one certificate need be filed with each supplier to cover subsequent purchases. However, the retailer must state to the supplier whether the purchase is for resale or not and will be held responsible for the tax on any item purchased for resale but subsequently used by the retailer.

Purchasers who avoid payment of tax through deliberate misuse of resale certificates will be subject to prosecution.

3. 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
TTY: (207) 287-4477**

The Department of Administrative and Financial Services does not discriminate on the basis of disability in admission, to access to, or operation of its programs, services or activities.

Issued: July 2, 1951

Last Amended: December 1, 1990

(Published under Appropriation 010-18F-0002-07)

ATTACHMENT #1
Excerpts taken from 36 M.R.S.A.

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:

10. Retailer. "Retailer" means any person who makes retail sales or who is required to register by section 1754 or is registered under section 1756.

11. Retail sale. "Retail sale" means any sale of tangible personal property in the ordinary course of business for any purpose other than for resale, except resale as a casual sale, in the form of tangible personal property. "Retail sale" also means any sale of a taxable service in the ordinary course of business for any purpose other than for resale, except resale as a casual sale.

13. Sale. "Sale" means any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration and includes leases and contracts payable by rental or license fees for the right of possession and use, but only when such leases and contracts are deemed by the State Tax Assessor to be in lieu of purchase.

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) Services which 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 or with respect to fabrication services pursuant to warranty;
- (3) The price of property returned or fabrication services rejected 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 or fabricated, if separately charged or stated;

Relevant Rules:

#301 - Sales for Resale and Sales of Packaging Materials

#302 - Government Agencies, Exempt Organizations and Sales Thereto

#304 - Reports and Payment

#305 - Retailers' Records