

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 1426

H.P. 1002

House of Representatives, April 7, 2009

### **An Act To Allow Municipalities To Impose a Local Option Lodging or Meals Tax**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative FLEMINGS of Bar Harbor.  
Cosponsored by Senator PERRY of Penobscot and  
Representatives: BERRY of Bowdoinham, BLODGETT of Augusta, CLEARY of Houlton,  
CROCKETT of Augusta, FLAHERTY of Scarborough, HUNT of Buxton, Senator: DAMON  
of Hancock.

1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 36 MRSA §1817 is enacted to read:

3 **§1817. Municipal local option lodging or meals tax**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
5 following terms have the following meanings.

6 A. "Local option tax" means either a local option lodging tax or a local option meals  
7 tax, or both.

8 B. "Lodging" means the rental of living quarters in any hotel, rooming house or  
9 tourist or trailer camp that is subject to sales taxation under this Part.

10 C. "Meals" means prepared food.

11 D. "Participating municipality" means a municipality that has imposed a local option  
12 lodging tax pursuant to this section.

13 **2. Authorization to impose local option tax.** A municipality may impose a local  
14 option lodging tax of no more than 4% or a local option meals tax of no more than 4%, or  
15 both, subject to a referendum pursuant to subsection 7.

16 **3. Notify State Tax Assessor.** A municipality that imposes a local option tax under  
17 subsection 2 shall notify the State Tax Assessor at least 90 days before the local option  
18 tax is effective.

19 **4. Administration.** Every person that manages or operates in the regular course of  
20 business or on a casual basis a hotel, rooming house or tourist or trailer camp in a  
21 participating municipality or that collects or receives rents from a hotel, rooming house or  
22 tourist or trailer camp in a participating municipality shall transfer the revenue from the  
23 local option lodging tax at the time and in the manner provided in section 1951-A for the  
24 transfer of state sales tax revenue.

25 Every retailer that provides meals in a participating municipality shall impose and collect  
26 the local option tax approved for that municipality on the meals provided in that  
27 participating municipality and transfer the revenue from the local option tax at the time  
28 and in the manner provided in section 1951-A for the transfer of state sales tax revenue.

29 The local option tax is subject to the same enforcement provisions, interest, penalties and  
30 administrative actions as other taxes assessed under this Part.

31 **5. Distribution of revenue.** Each month, the State Tax Assessor shall identify the  
32 amount of revenue attributable to each participating municipality under this section,  
33 subtract the costs of administering this section and certify the net amount due each  
34 participating municipality to the Treasurer of State.

35 Of the net amount certified under this subsection, the Treasurer of State shall make  
36 monthly payments as follows:

37 A. To the participating municipality, 75% of the net amount; and

