

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 801

H. P. 648

House of Representatives, February 27, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Brannigan of Portland.

Cosponsor: Mr. Baker of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Permit Municipalities to Levy a Sales Tax on Hotel Room Rental,
Restaurants and Amusements.**

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

Sec. 1. 30 MRSA § 5106, sub-§ 8, is repealed and the following enacted in its place:

8. Tourism and Conventions. Promoting and encouraging the vacation-travel, tourist and convention industry;

Sec. 2. 36 MRSA cc. 213-A and 213-B are enacted to read:

CHAPTER 213-A

LOCAL OPTION HOTEL AND RESTAURANT

SALES TAX

§ 1821. Imposition by municipalities

Municipalities may by ordinance impose a tax not to exceed 2% of the total amount, excluding other taxes, paid for the rental of transient living quarters in hotels, rooming houses, tourist or trailer camps and paid for meals and beverages sold in restaurants. For the purposes of this chapter, "meals and beverages sold

in restaurants” shall include all nonexempt food products as set forth in section 1760, subsection 3. The municipalities may choose to impose that tax on all or any of the classifications or categories mentioned hereunder.

The tax shall be in addition to any other tax permitted or required by federal or state law.

§ 1822. Administration

The State Tax Assessor shall administer the local option sales tax permitted under this chapter. The State Tax Assessor is authorized to adopt reasonable rules and regulations and prescribe forms to effectuate the provisions of this chapter. The State Tax Assessor shall have the same powers and authority as set forth elsewhere in this Part to carry out and enforce the provisions of this chapter.

§ 1823. Distribution of proceeds

All sums collected by the State Tax Assessor on behalf of a particular municipality shall be credited to that municipality and shall be distributed to the municipality of origin on or before the 20th day of the month following the month of collection. The State Tax Assessor may deduct therefrom the reasonable cost of administering the tax, which in no event shall exceed 1% of the total collected for the municipality.

§ 1824. Exemptions

The taxes imposed pursuant hereto shall be subjected to the exemptions set forth in section 1760.

§ 1825. Use of tax revenues

The revenues derived from the taxes imposed hereunder may be dedicated by the municipality to the promotion and encouragement of tourism and the development of the vacation-travel, tourist and convention industry or to any other suitable public purpose.

CHAPTER 213-B

LOCAL OPTION AMUSEMENT TAX

§ 1831. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms shall have the following meanings.

1. **Admission charge.** The term “admission charge” means the charge made for admission to any amusement or entertainment or the fee or charge made to participate in any amusement, entertainment, athletic or recreational endeavor, exclusive of any federal or other tax thereon including a charge made for season tickets, whether obtained by contribution or subscription, a cover charge or a charge made for the use of seats or tables, reserved or otherwise, a charge made for the rental of equipment needed to participate in such endeavors or any other similar charge or fee paid for admission or participation in like activities.

2. **Place of amusement or entertainment.** The term “place of amusement or entertainment” means any place in the municipality where any of the following are located, conducted, performed, exhibited and operated and for which an admission charge is made: Bingo games, circuses, carnivals, menageries, moving picture shows, fairs, shows and exhibitions of all kinds, dances, baseball, basketball, hockey, football, wrestling, boxing and sports of all kinds, swimming pools, concerts, theatrical, vaudeville, dramatic, operatic and musical performances and performances similar thereto, such attractions as merry-go-rounds, ferris wheels, roller coasters, and the like, and all other public amusements, performances and exhibitions not specifically named herein.

§ 1832. Imposition by municipalities

A municipality may by ordinance impose a tax not to exceed 2% of the total amount paid as an admission charge by any person for admission to any place of amusement or entertainment. A municipality may choose not to impose that tax on admission charges to places of entertainment or amusement owned or operated by governmental entities, charitable organizations or nonprofit organizations.

This tax shall be in addition to any other tax permitted or required by federal or state law.

§ 1833. Administration

The State Tax Assessor shall administer the local option amusement tax permitted under this chapter. The State Tax Assessor is authorized to adopt reasonable rules and regulations and prescribe forms to effectuate the provisions of this chapter. The State Tax Assessor shall have the same powers and authority as set forth elsewhere in this Part to carry out and enforce the provisions of this chapter.

§ 1834. Collection

Every person receiving payment for admission to any place of amusement or entertainment on which a tax is levied shall collect the amount of tax hereby imposed from the persons making an admission payment at the time of the payment. If tickets or cards of admission are issued, the tax shall be collected at the time of the issuance of the tickets or cards. The taxes required to be collected hereunder shall be deemed to be held in trust by the person required to collect the same until remitted.

§ 1835. Distribution of proceeds

All sums collected by the State Tax Assessor on behalf of a particular municipality shall be credited to that municipality and shall be distributed to the municipality of origin on or before the 20th day of the month following the month of collection. The State Tax Assessor may deduct therefrom the reasonable cost of administering the tax, which in no event shall exceed 1% of the total collected for the municipality.

§ 1836. Exemptions

Municipalities may by ordinance determine to exempt such persons from this tax as may be reasonable and proper.

§ 1837. Use of tax revenues

The revenues derived from the taxes imposed hereunder may be dedicated by the municipality to the promotion and encouragement of tourism and the development of the vacation-travel, tourist and convention industry or to any other suitable public purpose.

STATEMENT OF FACT

This bill would permit municipalities to impose a sales tax on hotel lodging, restaurant meals and amusement admission charges. This tax could not exceed 2% of the charge made.