

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
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5 Legislative Document

No. 514

6
7 H.P. 432

House of Representatives, February 1, 1983

8 Received by the Clerk of the House on February 1, 1983. Referred to the
9 Committee on Taxation, and ordered printed pursuant to Joint Rule 14.

10 EDWIN H. PERT, Clerk

11 Presented by Representative Kane of So. Portland.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Establish a Meals and Lodging
18 Tax.
19

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

22 Sec. 1. 30 MRSA §5106, sub-§8 is repealed and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

24 8. Tourism and conventions. Promoting and
25 encouraging the vacation-travel, tourist and conven-
26 tion industry;

27 Sec. 2. 36 MRSA c. 213-A is enacted to read:

28 CHAPTER 213-A

29 LOCAL OPTION AND LODGING TAX

30 §1821. General grant of power

1 The local governing body of a municipality may
2 impose, by ordinance, a tax of 2% of the total
3 amount, excluding other taxes, paid for the use or
4 rental of living quarters in hotels, rooming houses,
5 tourist or trailer camps and paid-for meals and bev-
6 erages sold in restaurants, including restaurants
7 connected with or part of hotels, rooming houses,
8 tourist or trailer camps. This tax is in addition to
9 any other tax permitted or required by federal or
10 state law.

11 §1822. Definitions

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

15 1. Meals and beverages sold in restau-
16 rants. "Meals and beverages sold in restaurants"
17 includes all nonexempt food products set forth in
18 section 1760, subsection 3, except that it does not
19 include medicines, tonics, vitamins and preparations
20 in liquid, powdered, granular, tablet, capsule,
21 lozenge or pill form, sold as dietary supplements or
22 adjuncts. It also does not include any product sold
23 to a person for resale through coin-operated vending
24 machines when sold to a retailer whose gross receipts
25 from the retail sale of tangible personal property
26 derived through sales from vending machines are more
27 than 50% of his gross receipts.

28 2. Use or rental of living quarters. "Use or
29 rental of living quarters" means the use or rental of
30 living quarters as defined in section 1752, subsec-
31 tion 6, in a hotel, rooming house, tourist or trailer
32 camp, all as defined in section 1752, and not exempt
33 from tax under section 1760.

34 All other terms have the meaning given in section
35 1752.

36 §1823. Administration

37 The State Tax Assessor shall administer the local
38 sales tax permitted under this chapter. The State
39 Tax Assessor may adopt reasonable rules and prescribe
40 forms to effectuate this chapter, but adoption of

1 these rules is not a prerequisite to the administra-
2 tion of a properly adopted local option tax. The
3 State Tax Assessor has the same powers and authority
4 as set forth elsewhere in this Part to carry out and
5 enforce the provisions of this chapter.

6 §1824. Distribution of proceeds

7 All sums collected by the State Tax Assessor on
8 behalf of a particular municipality shall be credited
9 to that municipality on a quarterly basis and shall
10 be distributed to the municipality of origin on or
11 before the 15th day of the month following the quar-
12 ter in which they were credited. The State Tax
13 Assessor may deduct from that sum the reasonable cost
14 of administering the tax, not exceeding 2% of the
15 total amount collected for the municipality. Any
16 municipality adopting the local option tax shall
17 notify the State Tax Assessor in writing that it has
18 done so at least 30 days prior to the effective date
19 of the ordinance imposing the tax. A copy of the
20 ordinance shall also be filed with the State Tax
21 Assessor at that time. In the event of termination
22 of any local option tax, the municipality shall pro-
23 vide the State Tax Assessor with not less than 30
24 days prior notice of the effective date of the termi-
25 nation.

26 §1825. Exemptions

27 The taxes imposed pursuant to this chapter are
28 subject to the exemptions set forth in section 1760.

29 §1826. Use of revenues

30 Revenues distributed to the municipality for the
31 local option tax shall become part of the
32 municipality's general funds and may be appropriated
33 for any authorized public purpose, except the munici-
34 pality shall dedicate a portion of the revenues
35 derived from any tax imposed under this chapter to
36 promote and encourage vacation-travel, tourism and
37 the tourist and convention industry.

38 §1827. Approval of voters

1 motion and encouragement of the vacation-travel,
2 tourism and the tourist and convention industry from
3 _____ % to _____ %?"
4 (Percentage) (Percentage)

5 If a majority of the legal voters voting at the
6 referendum are in favor of the change in the percent-
7 age to be available for tourism, the municipal offi-
8 cers shall amend its ordinance accordingly. That
9 change shall be effective at the beginning of the
10 next municipal fiscal year.

11 STATEMENT OF FACT

12 This bill authorizes municipalities to adopt a 2%
13 local sales tax on temporary room rentals and on res-
14 taurant meals and beverages, including takeout foods.
15 The revenues from such a locally adopted tax would be
16 returned to the municipality, and the municipality is
17 required to set aside some portion of the generated
18 revenues to the promotion and development of the
19 tourist and convention industry.

20 The initial adoption and any changes in the por-
21 tion of revenues available for tourist promotion
22 would have to be approved by the voters.

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