

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 974  
6

7 H.P. 688

House of Representatives, March 8, 1985

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

10 EDWIN H. PERT, Clerk

Presented by Representative Brannigan of Portland.

11 Cosponsored by Senator Gauvreau of Androscoggin, Representative  
Pouliot of Lewiston and Representative Racine of Biddeford.

12 STATE OF MAINE  
13

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

17 AN ACT to Establish a Meals and Lodging Tax  
18 for the Purposes of Stabilizing the  
19 Property Tax and Promoting Tourism.  
20

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

23 Sec. 1. 30 MRSA §5055, sub-§5, as amended by PL  
24 1983, c. 855, §2, is further amended to read:

25 5. Treasurer of State. An amount equal to 4.75%  
26 of the receipts from the taxes imposed under Title  
27 36, Parts 3 and 8, and credited to the General Fund,  
28 plus an amount equal to \$237,000 of the receipts from  
29 the tax imposed under Title 36, Part 3, shall be  
30 transferred by the Treasurer of State to the Local  
31 Government Fund on the first day of each month.

32 Beginning July 1, 1985, an amount equal to 5.1% of  
33 the receipts under Title 36, Parts 3 and 8, and cred-  
34 ited to the General Fund, plus an amount equal to  
35 \$237,000 of the receipts from the tax imposed under

1 Title 36, Part 3, shall be transferred by the Trea-  
2 surer of State to the Local Government Fund on the  
3 first day of each month.

4 Beginning November 1, 1985, an amount equal to 6% of  
5 the receipts under Title 36, Parts 3 and 8, and cred-  
6 ited to the General Fund, plus an amount equal to  
7 \$237,000 of the receipts from the tax imposed under  
8 Title 36, Part 3, shall be transferred by the Trea-  
9 surer of State to the Local Government Fund on the  
10 first day of each month.

11 Beginning July 1, 1986, an amount equal to 6.5% of  
12 the receipts under Title 36, Parts 3 and 8, and cred-  
13 ited to the General Fund, plus an amount equal to  
14 \$237,000 of the receipts from the tax imposed under  
15 Title 36, Part 3, shall be transferred by the Trea-  
16 surer of State to the Local Government Fund on the  
17 first day of each month.

18 The Treasurer of State shall distribute the balance  
19 in the Local Government Fund on the 20th day of each  
20 month.

21 Sec. 2. 36 MRSA §1760, sub-§3, as amended by PL  
22 1981, c. 163, §3, is further amended to read:

23 3. Food products for human consumption. Sales of  
24 food products. The term "food products" shall, except  
25 as otherwise provided, include cereals and cereal  
26 products; milk and milk products, other than candy  
27 and confectionery, but including ice cream; oleomar-  
28 garine; meat and meat products; fish and fish  
29 products; eggs and egg products; vegetable and vege-  
30 table products; fruit and fruit products, including  
31 pure fruit juices; spices, condiments and salt; sugar  
32 and sugar products other than candy and confection-  
33 ery; coffee and coffee substitutes; tea, cocoa and  
34 cocoa products, other than candy and confectionery.

35 "Food products" shall not include spirituous, malt or  
36 vinous liquors; soft drinks, sodas or beverages such  
37 as are ordinarily dispensed at bars or soda fountains  
38 or in connection therewith; medicines, tonics, vita-  
39 mins and preparations in liquid, powdered, granular,  
40 tablet, capsule, lozenge or pill form, sold as die-  
41 tary supplements or adjuncts, except when sold on the

1 prescription of a physician; water, including mineral  
2 bottled and carbonated waters and ice.

3 "Food products" shall not include meals served on or  
4 off the premises of the retailer, or drinks or food  
5 furnished, prepared or served for consumption at ta-  
6 bles, chairs or counters, or from trays, glasses,  
7 dishes or other tableware provided by the retailer-

8 "Food products," for the purpose of this subsection,  
9 include meals; spirituous, malt or vinous liquors;  
10 and soft drinks, sodas or beverage served on or off  
11 the premises of the retailer, which are subject to  
12 tax pursuant to section 1821.

13 This exemption does not apply to products sold to a  
14 person for resale through coin-operated vending ma-  
15 chines when sold to a person whose gross receipts  
16 from the retail sale of tangible personal property  
17 derived through sales from vending machines are more  
18 than 50% of his gross receipts.

19 The sale of food products ordinarily sold for immedi-  
20 ate consumption on or near the location of the re-  
21 tailer is a taxable sale even though such products  
22 are sold on a "take out" or "to go" order and are ac-  
23 tually packaged or wrapped and taken from the  
24 premises.

25 Sec. 3. 36 MRSa §1811, first ¶, as amended by PL  
26 1983, c. 859, Pt. M, §§7 and 13, is further amended  
27 to read:

28 A tax is imposed at the rate of 5% on the value  
29 of all tangible personal property, on telephone and  
30 telegraph service and on extended cable television  
31 service sold at retail in this State, and upon the  
32 rental charged for ~~living quarters in hotels, rooming~~  
33 ~~houses, tourist or trailer camps and the rental~~  
34 ~~charged for~~ automobiles rented on a short-term basis,  
35 other than a rental charged to a person engaged in  
36 the business of renting automobiles, measured by the  
37 sale price, except as in chapters 211 to 225 pro-  
38 vided. Retailers shall pay such tax at the time and  
39 in the manner provided, and it shall be in addition  
40 to all other taxes.

1           Sec. 4. 36 MRSA c. 214 is enacted to read:

2                                   CHAPTER 214

3                                   MEALS AND LODGING TAX

4       §1821. Meals and lodging tax

5           A tax is imposed at the rate of 7% on retail  
6 sales of food products ordinarily sold for immediate  
7 consumption on or near the location of the retailer  
8 and rental of living quarters in hotels, rooming  
9 houses and tourist or trailer camps.

10           The sale of food products ordinarily sold for im-  
11 mediate consumption on or near the location of the  
12 retailer is a taxable sale even though those products  
13 are sold on a "takeout" or "to go" order and are ac-  
14 tually packaged or wrapped and taken from the  
15 premises.

16           Sales of food and beverage products through coin-  
17 operated vending machines are exempt from the tax im-  
18 posed by this section.

19           This tax is in addition to any other tax permit-  
20 ted or required by federal or state law.

21       §1822. Definitions

22           As used in this chapter, unless the context oth-  
23 erwise indicates, the following terms have the fol-  
24 lowing meanings.

25           1. Food products ordinarily sold for immediate  
26 consumption. "Food products ordinarily sold for im-  
27 mediate consumption" include spirituous, malt or vi-  
28 nous liquors; soft drinks, sodas or beverages, such  
29 as are ordinarily dispensed at bars or soda fountains  
30 or drinks or food furnished, prepared or served for  
31 consumption at tables, chairs or counters or from  
32 trays, glasses, dishes or other tableware provided by  
33 the retailer.

34           2. Rental of living quarters. "Rental of living  
35 quarters" means the rental of living quarters, as de-  
36 defined in section 1752, subsection 6, in a hotel,

1 rooming house and tourist or trailer camp, all as de-  
2 defined in section 1752 and not exempt from tax under  
3 section 1760.

4 All other terms have the meaning given in section  
5 1752.

6 §1823. Adding tax to sale

7 Every retailer shall add the tax imposed by this  
8 chapter to his sale price, except as otherwise pro-  
9 vided. The tax is a part of the price and a debt of  
10 the purchaser to the retailer until paid. It may be  
11 recovered at law in the same manner as the purchased  
12 price. When the sale price involves a fraction of a  
13 dollar, the tax shall be added to the sale price ac-  
14 ording to the following schedules:

	<u>Amount of Sale Price</u>	<u>Amount of Tax</u>
16	<u>\$0.01 to \$0.07, inclusive</u>	<u>0</u>
17	<u>.08 to .21, inclusive</u>	<u>1</u>
18	<u>.22 to .35, inclusive</u>	<u>2</u>
19	<u>.36 to .49, inclusive</u>	<u>3</u>
20	<u>.50 to .65, inclusive</u>	<u>4</u>
21	<u>.65 to .78, inclusive</u>	<u>5</u>
22	<u>.79 to .92, inclusive</u>	<u>6</u>
23	<u>.93 to 1.00, inclusive</u>	<u>7</u>

24 When the sale price exceeds \$1, the tax is 7% for  
25 each whole dollar plus the amount indicated in this  
26 section for each fractional part of a dollar.

27 When several articles are purchased at the same  
28 time, the tax shall be computed on the total amount  
29 of items.

30 The retailer shall retain breakage under this  
31 section.

32 §1824. Administration

33 The State Tax Assessor shall administer the meals  
34 and lodging tax imposed under this chapter.

35 §1825. Tourism promotion

