

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 989

H.P. 720

House of Representatives, March 30, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative DUFFY of Bangor.

Cosponsored by Representative KETOVER of Portland, Representative DUTREMBLE of Biddeford and Representative HOGLUND of Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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An Act to Allow Cities and Towns an Opportunity to Increase Revenue.

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

3 36 MRSA c. 214 is enacted to read:

5 CHAPTER 214

7 LOCAL TAX ON MEALS AND LODGING

9 §1821. Local tax on meals and lodging

11 1. Municipal meal and lodging tax. Except as provided in  
13 subsection 4, municipalities shall impose a local tax of 1¢ on  
15 every dollar of retail sales of food products ordinarily sold for  
immediate consumption on or near the location of the retailer and  
on the rental of living quarters.

17 The sale of food products ordinarily sold for immediate  
19 consumption on or near the location of the retailer is a taxable  
21 sale even though those products are sold on a "take-out" or "to  
go" order and are actually packaged or wrapped and taken from the  
premises.

23 2. Administered by State. Retailers in a municipality  
25 imposing a local tax under this section shall pay the tax at the  
27 time and in the manner provided for the payment of state sales  
tax imposed under this Part and it shall be in addition to all  
other taxes.

29 3. Payment to municipalities. Each month the State Tax  
31 Assessor shall identify the amount of revenue attributable to  
33 each municipality under this section, subtract the costs of  
35 administering this section and certify the net amount due each  
municipality to the Treasurer of State. The Treasurer of State  
shall make monthly payments of the amounts certified by the State  
Tax Assessor.

37 4. Municipalities authorized to repeal. Residents of a  
39 municipality that wish to repeal the local tax may petition the  
41 municipal officers to repeal the tax. Upon receipt of a written  
43 petition signed by at least 10% of the number of voters voting in  
45 the last statewide election, the municipal officers shall submit  
the question to the voters of the municipality at the next  
general, primary or special election. The referendum question  
shall read as follows:

47 "Shall the officers representing the municipality repeal the  
local tax on meals and lodging?"

49 If the referendum question is approved by a majority of the legal  
51 voters voting at the election, the municipal officers  
representing the residents of the town or city shall, within 180  
days, repeal the local tax.

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A municipality that repeals a local tax under this section shall  
notify the State Tax Assessor at least 90 days before the tax is  
repealed.

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**STATEMENT OF FACT**

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This bill requires municipalities to impose a local tax of  
1¢ on the dollar for the sale of meals and rental of lodging.  
This local tax would be in addition to the state sales tax and  
would be administered by the State. After deducting costs of  
administration, the State would return revenues to the  
municipality.

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