

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 614

H.P. 431

House of Representatives, February 13, 1991

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 NADEAU of Saco.

Cosponsored by Representative HOGLUND of Portland, Representative DORE of Auburn and Senator BRANNIGAN of Cumberland.

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STATE OF MAINE

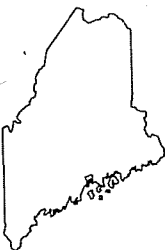
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Permit Counties to Promote Economic Development and  
Property Tax Relief Through a Dedicated Local Tax on Meals and  
Lodging.**

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

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36 MRSA §1815 is enacted to read:

4  
**§1815. Optional county sales tax on meals and lodging**

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7 To promote economic development, a county may, at its option,  
8 adopt a sales tax on meals and lodging subject to the following  
9 conditions.

10  
11 1. Definition. As used in this section, unless the context  
12 otherwise indicates, the following terms have the following  
13 meanings.

14  
15 A. "Lodging" means the rental of living quarters in any  
16 hotel, rooming house, tourist or trailer camp.

17  
18 B. "Meals" means food, including, but not limited to, ice  
19 cream, ice milk, ice cream or ice milk novelties, candy and  
20 confectionery and drinks, including, but not limited to,  
21 spirituous, malt or vinous liquors, soft drinks, sodas and  
22 beverages such as are ordinarily dispensed at bars or soda  
23 fountains or in connection with bars or soda fountains that  
24 are:

25  
26 (1) Furnished or served for consumption at tables,  
27 chairs or counters, or from trays, glasses, dishes or  
28 other tableware provided by the retailer;

29  
30 (2) Ordinarily sold by the retailer for immediate  
31 consumption on or near the location of the retailer,  
32 even though the products are sold on a "take-out" order  
33 and are actually packaged or wrapped and taken from the  
34 premises; or

35  
36 (3) Sold from a retail location from which food  
37 ordinarily is sold for consumption without further  
38 preparation or storage, even though the products are  
39 packaged or wrapped in bulk quantities.

40  
41 2. Procedure. A county may impose a local sales tax on  
42 meals and lodging subject to the state sales tax imposed by this  
43 Part in an amount not to exceed 3%, as a percentage of the sale  
44 price, if that tax is approved by the legal voters of the county  
45 at a regular or special election. The amount of the proposed  
46 local sales tax must be specified in the referendum question.

47  
48 3. Notify State Tax Assessor. A county that imposes a  
49 county sales tax on meals and lodging under this section shall  
50 notify the State Tax Assessor at least 90 days before the county  
51 tax is effective to provide the State with sufficient time to  
52 prepare for administration of the county tax.

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4. Administered by State. Retailers in a county that has imposed a county sales tax under this section shall pay the tax at the time and in the manner provided for the payment of state sales and use taxes and this tax is in addition to all other taxes.

5. Payment to counties. Each month the State Tax Assessor shall identify the amount of revenue attributable to each county under this section, subtract the costs of administering this section and certify the net amount due each county to the Treasurer of State. The Treasurer of State shall make monthly payments to the counties of the amounts certified by the State Tax Assessor.

6. Use of county sales tax revenue. The revenue raised by the adoption of a county sales tax on meals and lodging must be dedicated to economic development or property tax relief.

### STATEMENT OF FACT

This bill allows counties to adopt a local sales tax on meals and lodging in an amount not to exceed 3%, as a percentage of the sale price, if approved by county voters at a regular or special election. This bill provides counties the option of imposing a sales tax on meals and lodging to promote property tax relief or economic development within any county that adopts the local tax. The tax would be collected and administered by the State. After deducting costs of administration, the State would return revenues to the appropriate county.