

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND SPECIAL SESSION

HOUSE AMENDMENT "YY" to H.P. 1402, L.D. 1985, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government for the Fiscal Years Ending June 30, 1992 and June 30, 1993 and to Change Certain Provisions of Law"

Amend the bill by inserting at the end before the emergency clause the following:

PART OO

36 MRSA c. 214 is enacted to read:

CHAPTER 214

LOCAL OPTION TAX

§1821. Local option taxes

1. Local occupancy tax. A municipality may impose a local tax of not more than 2% per night on the value of occupancy of a place of public accommodation for lodging.

2. Local motor vehicle rental tax. A municipality may impose a local tax of not more than 2% per day on the value of rental or lease of a motor vehicle for less than 30 days.

3. Local meals tax. A municipality may impose a local tax of not more than 2% on the value of prepared food sold in the municipality.

4. Local amusement tax. A municipality may impose a local tax of not more than 5% on the value of admission to any amusement or entertainment facility and on the value of participation in any amusement or recreation activity.

2 5. Exception. This section does not apply to sales by
3 private nonprofit organizations exempt under section 1760 or
4 section 50-C of the Code.

6 6. Municipalities authorized to enact. Residents of a
7 municipality who wish to adopt any local option tax may petition
8 the municipal officers to adopt the tax. Upon receipt of a
9 written petition signed by at least 10% of the number of voters
10 voting in the municipality in the last statewide election or on
11 their own motion, the municipal officers shall submit the
12 question to the voters of the municipality at the next general,
13 primary or special election. The referendum question must read
14 substantially as follows:

15 "Shall the officers representing the municipality enact a
16 local option tax (taxes) in the amount of (insert a rate up
17 to 2%; 5% for amusement tax)?"

18 If the referendum question is approved by a majority of the legal
19 voters voting at the election, the municipal officers
20 representing the residents of the town or city shall enact the
21 local option tax or taxes within 180 days.

22 A municipality that enacts a local tax under this section shall
23 notify the State Tax Assessor at least 30 days before the tax
24 becomes effective.

25 7. Administered by State. Retailers in a municipality
26 imposing a local tax under this section shall pay the tax to the
27 State Tax Assessor at the time and in the manner provided for the
28 payment of state sales tax imposed under this Part and it is in
29 addition to all other taxes.

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

37 Further amend the bill by relettering the Parts to read
38 consecutively.

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46 **FISCAL NOTE**

48 This amendment authorizes municipalities to impose local
49 taxes which would result, if imposed, in additional municipal
50 revenue.

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STATEMENT OF FACT

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This amendment allows municipalities to raise additional revenue through local option taxes because of the drastic cuts proposed in municipal revenue sharing and General Purpose Aid to Education.

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Filed by Rep. Dore of Auburn
Reproduced and distributed under the direction of the Clerk
of the House.

12/18/91

(Filing No. H-835)

Filed by Rep