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DATE: 5-28-97   (Filing No. H-727)

4

MAJORITY
6   TAXATION

8

10   Reproduced and distributed under the direction of the Clerk of
      the House.

12
                          STATE OF MAINE
14   HOUSE OF REPRESENTATIVES
                       118TH LEGISLATURE
16   FIRST SPECIAL SESSION

18
          COMMITTEE AMENDMENT " H " to H.P. 1243, L.D. 1763, Bill, "An
20   Act to Establish the Local Option Lodging Tax"

22   Amend the bill in section 1 in that part designated "§1815."
      in subsection 1 in the next-to-last line (page 1, line 17 in
24   L.D.) by striking out the following: "no more than" and inserting
      in its place the following: '0.5%, 1.0%, 1.5% or'

26
          Further amend the bill in section 1 in that part designated
28   "§1815." in subsection 2 in the 3rd line (page 1, line 22 in
      L.D.) by striking out the following: "90" and inserting in its
30   place the following: '180'

32   Further amend the bill in section 1 in that part designated
      "§1815." in subsection 3 in the last line (page 1, line 30 in
34   L.D.) by inserting after the following: "taxes." the following:
      'Taxes imposed pursuant to this section are subject to the same
36   interest, penalty and administrative actions as are sales and use
      taxes pursuant to this Part.'

38
          Further amend the bill in section 1 in that part designated
40   "§1815." in subsection 4 in the 2nd line (page 1, line 33 in
      L.D.) by inserting after the following: "revenue" the following:
42   'actually collected and'

44   Further amend the bill in section 1 in that part designated
      "§1815." in subsection 4 in the 5th line (page 1, line 36 in
46   L.D.) by striking out the first occurrence of the following:

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"Treasurer of State" and inserting in its place the following: 'Local Option Lodging Tax Program'

Further amend the bill in section 1 in that part designated "§1815." in subsection 4 in the 6th line (page 1, line 37 in L.D.) by inserting after the following: "payments" the following: 'from the program'

Further amend the bill in section 1 in that part designated "§1815." in subsection 4 in the last line (page 1, line 39 in L.D.) by inserting after the following: "subsection." the following: 'Revenue collected pursuant to this section is not considered to be receipts from the taxes imposed under this Part and Part 8 to be transferred to the Local Government Fund pursuant to Title 30-A, section 5681.'

Further amend the bill in section 1 in that part designated "§1815." in subsection 5 in the 6th line (page 1, line 46 in L.D.) by inserting after the following: "construction" the following: ', renovation'

Further amend the bill in section 1 in that part designated "§1815." in subsection 5 in the last line (page 1, line 48 in L.D.) by striking out the following: "with a total construction cost of $1,000,000 or more"

Further amend the bill in section 1 in that part designated §1815." in subsection 6 in the 4th line (page 2, line 4 in L.D.) by inserting after the following: "satisfied," the following: 'or when the voters in a referendum vote to deauthorize the local option lodging tax,'

Further amend the bill in section 1 in that part designated "§1815." in subsection 6 in the last line (page 2, line 6 in L.D.) by inserting after the following: "repealed" the following: 'on the first day of the month following 90 days after notification of the assessor'

Further amend the bill in section 1 in that part designated "§1815." by inserting after subsection 8 the following:

'9. Charter municipalities. A municipality with a charter that allows the creation of municipal debt obligation without a vote by the legal voters of the municipality is not subject to subsections 6, 7 and 8 of this section and may impose or deauthorize the local option lodging tax to be used in accordance with subsection 5 pursuant to the municipal charter. A tax imposed pursuant to this subsection takes effect 120 days after enactment by the municipal officials and, if repealed, is

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2 <u>repealed on the first day of the month following 90 days after</u>
<u>notification of the assessor.</u>

4   **10. Local Option Lodging Tax Program.** <u>The Local Option</u>
<u>Lodging Tax Program is established within the Bureau of Taxation</u>
6 <u>to enable the State Tax Assessor to segregate and administer the</u>
<u>funds collected and attributable to each municipality that adopts</u>
8 <u>a local option lodging tax.</u>'

10   Further amend the bill by inserting after section 1 the
following:
12
    '**Sec. 2. Appropriation.** The following funds are appropriated
14 from the General Fund to carry out the purposes of this Act.

	1997-98	**1998-99**
16			
18	**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**		
20			
Bureau of Taxation		
22			
Positions		(1.000)
24	Personal Services		$38,346
All Other	$123,600	7,100
26	Capital Expenditures		3,000
28			
TOTAL	$123,600	$48,446
30 | | | |

32   Provides funds for a Senior
Tax Examiner position,
34 computer modifications and
related administrative
36 expenses to administer the
local option lodging tax
38 program. Funds appropriated
in fiscal year 1997-98 may
40 not lapse but must be carried
forward to be used for the
42 same purposes.

44   **Sec. 3. Allocation.** The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.
46

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	1997-98	1998-99

2
ADMINISTRATIVE AND FINANCIAL
4 **SERVICES, DEPARTMENT OF**

6 **Local Option Lodging**
Tax Program
8

All Other	$500	$500

10

12   Provides a base allocation to
authorize payments to
municipalities that adopt a
14   lodging tax.'

16   Further amend the bill by inserting at the end before the
summary the following:

18
·FISCAL NOTE
20

	1997-98	1998-99

22
APPROPRIATIONS/ALLOCATIONS
24

	1997-98	1998-99
General Fund	$123,600	$48,446
26 Other Funds	500	500

28   The Bureau of Taxation will require additional General Fund
appropriations of $123,600 and $48,446 in fiscal years 1997-98
30   and 1998-99, respectively, for a Senior Tax Examiner, computer
modifications and related administrative expenses to administer
32   the local option lodging tax. If no municipalities adopt the
local option tax in fiscal year 1997-98, the funds to modify the
34 . bureau's computer system do not lapse but are carried forward to
be used for the same purposes.

36
The bill allows the bureau to charge all costs of
38   administration to the municipalities that impose the local option
tax. The additional General Fund revenue collected to offset
40   these costs will depend on local decisions to adopt the tax and
can not be estimated at this time.

42
The bill also establishes the Local Option Lodging Tax
44   Program, an Other Special Revenue program, to administer the
funds collected and attributable to each municipality that adopts
46   a local option lodging tax. A base allocation of $500 is
provided in each fiscal year to authorize payments to
48   municipalities in the event any municipalities adopt the lodging
tax.'

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COMMITTEE AMENDMENT

2   **SUMMARY**

4   This amendment makes technical corrections and adds
appropriation and allocation sections. It also adds a fiscal
6   note to the bill.

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