

# MAINE STATE LEGISLATURE

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77  
H.O.S.

L.D. 1122

DATE: 2-16-00

(Filing No. H-798)

MAJORITY  
TAXATION

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

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
119TH LEGISLATURE  
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 799, L.D. 1122, Bill, "An  
Act to Return a Percentage of the Meals and Lodging Tax to the  
Municipality in Which Those Taxes were Levied"

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Amend the bill in section 1 in that part designated "~~§5686.~~"  
by striking out all of subsections 3 to 6 and inserting in their  
place the following:

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3. Local option. A municipality may choose to receive 10%  
of state tax revenue from the sales tax on meals and lodging in  
that municipality by certifying to the State Tax Assessor that  
the municipal legislative body has voted to make that choice.  
The State Tax Assessor shall notify the Treasurer of State to  
begin transferring amounts for a municipality that has made the  
choice provided by this subsection within 30 days of receiving  
the municipality's certification.

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4. Treasurer of State. For municipalities that have made  
the certification provided in subsection 3, the Treasurer of  
State shall transfer to the Meals and Lodging Tax Relief Fund on  
the last day of each month following notification by the State  
Tax Assessor pursuant to subsection 3 an amount equal to 10% of  
the receipts attributable to those municipalities from the meals  
and lodging taxes imposed under Title 36, section 1811 and  
credited to the General Fund. The Treasurer of State shall  
distribute the balance in the Meals and Lodging Tax Relief Fund  
on the 28th day of each month to municipalities based on the  
information provided by the State Tax Assessor.

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5. State Tax Assessor. By the 25th day of each month, the  
State Tax Assessor shall provide to the Treasurer of State the  
amount of sales tax on meals and lodging reported in the

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COMMITTEE AMENDMENT

A. W. S.

2 preceding month in each municipality that has made the  
3 certification provided in subsection 3 and the amount to be  
4 returned to each municipality.

6 6. Plantations and unorganized territory. For purposes of  
7 this section, plantations and the unorganized territory are  
8 treated as if they were municipalities.

10 7. Indian territory. For purposes of this section, the  
11 Passamaquoddy Tribe and the Penobscot Nation Indian territories  
12 are treated as if they were municipalities.'

14 Further amend the bill by inserting after section 1 the  
15 following:

16 'Sec. 2. Appropriation. The following funds are appropriated  
17 from the General Fund to carry out the purposes of this Act.

2000-01

20 **ADMINISTRATIVE AND FINANCIAL**  
22 **SERVICES, DEPARTMENT OF**

24 **Bureau of Taxation**

26 All Other \$20,000

28 Provides funds for the computer programming  
29 costs to add to the bureau's database and to  
30 generate required reports.

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

2000-01

36 **TREASURER OF STATE, OFFICE OF THE**

38 **Meals and Lodging Tax Relief Fund**

40 All Other \$7,105,000

42 Allocates funds to authorize the  
44 distribution of state tax revenue set aside  
45 for payments to municipalities.'

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

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**FISCAL NOTE**

**2000-01**

**APPROPRIATIONS/ALLOCATIONS**

General Fund	\$20,000
Other Funds	7,105,000

**REVENUES**

General Fund	(\$7,105,000)
Other Funds	7,105,000

The dedication and return to municipalities of 10% of the sales tax receipts on meals and lodging sales will reduce General Fund revenue by \$7,105,000 in fiscal year 2000-01. The future General Fund revenue reductions are estimated to be approximately \$15,000,000 annually beginning in fiscal year 2001-02. Amounts equal to the General Fund revenue reductions will be transferred to the Meals and Lodging Tax Relief Fund for distribution back to those municipalities that choose to receive these revenues. An allocation of \$7,105,000 in fiscal year 2000-01 is included to authorize the distribution of these dedicated revenues back to municipalities.

The Bureau of Revenue Services will incur additional costs estimated to be \$20,000 in fiscal year 2000-01 for computer programming to add to the bureau's database and generate reports. The bureau has requested additional General Fund appropriations to fund these additional costs. Other administrative costs that will be incurred by the bureau can be absorbed within existing budgeted resources.

The Office of the Treasurer of State will incur some minor additional costs to distribute these revenues to municipalities. These costs can be absorbed within the office's existing budgeted resources.'

**SUMMARY**

This amendment makes the return of 10% of sales tax revenues on meals and lodging optional for a municipality and adds appropriation and allocation sections and a fiscal note to the bill.