

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1019

H.P. 703

House of Representatives, February 24, 2005

### An Act To Increase the Tax Imposed on Lodging

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative PILON of Saco.  
Cosponsored by Senator STRIMLING of Cumberland and  
Representatives: ADAMS of Portland, BEAUDETTE of Biddeford, HARLOW of Portland,  
Senator: SULLIVAN of York.

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

4 **Sec. 1. 30-A MRSA §5686** is enacted to read:

6 **§5686. Revenue sharing of lodging taxes**

8 **1. Lodging Tax Relief Fund established.** There is  
10 established the Lodging Tax Relief Fund, referred to in this  
12 section as "the fund," for the purpose of returning a portion of  
14 the revenue generated by lodging taxes to the municipalities in  
which those taxes were collected. As used in this section,  
"lodging tax" means the tax imposed pursuant to Title 36, section  
1811 on the value of rental of living quarters in any hotel,  
rooming house or tourist or trailer camp.

16 **2. Amount of transfer; duties of Executive Director of**  
18 **Bureau of Revenue Services.** Beginning October 1, 2005, on the  
20 last day of each month, the Executive Director of the Bureau of  
22 Revenue Services within the Department of Administrative and  
24 Financial Services shall transfer to the fund an amount equal to  
30% of the receipts from the lodging tax credited to the General  
Fund. Beginning November 2005, on the 27th day of each month,  
the executive director shall distribute the balance in the fund  
to the municipalities based on the information provided by the  
State Tax Assessor pursuant to subsection 3.

26 **3. Duties of State Tax Assessor.** Beginning November 2005,  
28 by the 25th day of each month, the State Tax Assessor shall  
30 calculate the amount of the lodging tax collected in each  
32 municipality and the amount to be returned to each municipality  
pursuant to subsection 2 and provide the calculation to the  
Executive Director of the Bureau of Revenue Services within the  
Department of Administrative and Financial Services.

34 **4. Plantation and unorganized territory.** For purposes of  
36 this section, plantations and the unorganized territory are  
treated as if they were municipalities.

38 **5. Indian territory.** For purposes of this section, the  
40 Passamaquoddy Tribe and the Penobscot Nation Indian territories  
are treated as if they were municipalities.

42 **Sec. 2. 36 MRSA §1811, first ¶,** as amended by PL 2001, c. 439,  
44 Pt. TTTT, §2 and affected by §3, is further amended to read:

46 A tax is imposed on the value of all tangible personal  
48 property and taxable services sold at retail in this State. The  
rate of tax is 7% on the value of liquor sold in licensed  
50 establishments as defined in Title 28-A, section 2, subsection  
15, in accordance with Title 28-A, chapter 43; 7% ~~10%~~ on the  
52 value of rental of living quarters in any hotel, rooming house or  
tourist or trailer camp; 10% on the value of rental for a period

2 of less than one year of an automobile; 7% on the value of  
prepared food; and 5% on the value of all other tangible personal  
4 property and taxable services. Value is measured by the sale  
price, except as otherwise provided.

6

### SUMMARY

8 This bill increases the lodging tax from 7% to 10%. The  
bill also returns 30% of the sales tax imposed on lodging to the  
10 municipalities in which those taxes were levied.