

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1749

S.P. 666

In Senate, December 30, 2005

An Act To Clarify the Taxable Status of Processing Fees Charged in Connection with Cancelled Lodging Reservations

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 28, 2005. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator COWGER of Kennebec.
Cosponsored by Representative KOFFMAN of Bar Harbor and
Senators: DAMON of Hancock, MAYO of Sagadahoc, Representatives: McCORMICK of
West Gardiner, SCHATZ of Blue Hill.

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

4 **Sec. 1. 36 MRSA §1760, sub-§88** is enacted to read:

6 **88. Processing fees.** Processing fees or forfeited advance
8 deposits held by an innkeeper in connection with a cancelled
10 reservation or the failure of a guest to appear at the inn on the
12 scheduled day of arrival. For purposes of this subsection, "inn"
14 includes a hotel, motel, lodging house and bed and breakfast and
16 any other facility that, for compensation, provides lodging to
18 travelers and others on a temporary basis.

14 **SUMMARY**

16 This bill clarifies the sales tax law to provide a specific
18 exemption from the sales tax for processing fees or forfeited
20 advance deposits held by an innkeeper in connection with a
cancelled reservation or the failure of a guest to be present on
the scheduled day of arrival.