

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 207

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H.P. 178

House of Representatives, January 16, 2007

### An Act To Reduce the Meals and Lodging Tax

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative CRESSEY of Cornish.  
Cosponsored by Senator PLOWMAN of Penobscot and  
Representatives: ANNIS of Dover-Foxcroft, AUSTIN of Gray, CEBRA of Naples,  
CROSTHWAITE of Ellsworth, HAMPER of Oxford, LANSLEY of Sabattus, McDONOUGH  
of Scarborough, RICHARDSON of Warren.

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

2 **Sec. 1. 5 MRSA §13090-K, sub-§2**, as enacted by PL 2001, c. 439, Pt. UUUU,  
3 §1, is amended to read:

4 **2. Source of fund.** Beginning July 1, 2003 and every July 1st thereafter, the State  
5 Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as  
6 certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on  
7 tangible personal property and taxable services pursuant to Title 36, section 1811, for the  
8 first 6 months of the prior fiscal year after the reduction for the transfer to the Local  
9 Government Fund as described by Title 30-A, section 5681, subsection 5. Beginning on  
10 October 1, 2003 and every October 1st thereafter, the State Controller shall transfer to the  
11 Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor,  
12 that is equivalent to 5% of the 7% tax imposed on tangible personal property and taxable  
13 services pursuant to Title 36, section 1811, for the last 6 months of the prior fiscal year  
14 after the reduction for the transfer to the Local Government Fund. Beginning October 1,  
15 2007 and every October 1st thereafter, the State Controller shall transfer to the Tourism  
16 Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is  
17 equivalent to 5% of the tax imposed pursuant to Title 36, section 1811 on the value of  
18 rental of living quarters in any hotel, rooming house or tourist or trailer camp and on the  
19 value of prepared food for the first 6 months of the prior fiscal year after the reduction for  
20 the transfer to the Local Government Fund. Beginning July 1, 2008 and every July 1st  
21 thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund  
22 an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the tax  
23 imposed pursuant to Title 36, section 1811 on the value of rental of living quarters in any  
24 hotel, rooming house or tourist or trailer camp and on the value of prepared food for the  
25 last 6 months of the prior fiscal year after the reduction for the transfer to the Local  
26 Government Fund. The tax amount must be based on actual sales for that fiscal year  
27 and may not consider any accruals that may be required by law. The amount transferred  
28 from General Fund sales and use tax revenues does not affect the calculation for the  
29 transfer to the Local Government Fund.

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

32 A tax is imposed on the value of all tangible personal property and taxable services  
33 sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed  
34 establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title  
35 28-A, chapter 43; ~~7%~~ 5% on the value of rental of living quarters in any hotel, rooming  
36 house or tourist or trailer camp; 10% on the value of rental for a period of less than one  
37 year of an automobile; ~~7%~~ 5% on the value of prepared food; and 5% on the value of all  
38 other tangible personal property and taxable services. Value is measured by the sale  
39 price, except as otherwise provided.

40 **SUMMARY**

41 This bill reduces the taxes imposed on lodging and prepared meals from 7% to 5%.

1        This bill also changes the allocation to the Tourism Marketing Promotion Fund,  
2        which currently receives 5% of the 7% tax imposed on lodging and prepared meals.