

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1167

S.P. 415

March 7, 2007

An Act To Permit a Local Option Sales Tax in Towns Adjacent to a National Park

Reference to the Committee on Taxation suggested and ordered printed.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DAMON of Hancock.
Cosponsored by Representative EATON of Sullivan and Representatives: KOFFMAN of Bar Harbor, PINGREE of North Haven.

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

2 **Sec. 1. 36 MRSA §1817** is enacted to read:

3 **§1817. Bar Harbor local option sales and use tax**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Adjusted property tax rate" means the town's property tax rate per \$1,000 of
7 assessed valuation, adjusted for inflation using the Consumer Price Index and any
8 neighborhood or municipality revaluations.

9 B. "Local option sales and use tax" means the sales and use tax imposed by the town
10 pursuant to subsection 2.

11 C. "Sales tax base" means those items subject to sales taxation under this Part.

12 D. "Single transaction limitation" means a dollar limit that the town may place on
13 the amount of tax the town collects from a single transaction subject to the local
14 option sales and use tax.

15 E. "Town" means a municipality with a population of at least 4,500, but no more
16 than 6,000, located within 10 miles of a national park.

17 **2. Authorization to impose local option sales and use tax.** The town may impose
18 a local option sales and use tax of 2% on those items that are part of the sales tax base. If
19 the town adopts a local option sales and use tax pursuant to this section, it may not alter
20 the sales tax base. The town also may adopt a single transaction limitation not to exceed
21 \$100.

22 **3. Administration.** Retailers in the town shall transfer the revenue from the local
23 option sales and use tax at the time of and in the manner provided in section 1951-A for
24 the transfer of state sales and use tax revenue. The tax is subject to the same interest,
25 penalties and administrative actions as other taxes assessed under this Part.

26 **4. Transfer of revenue.** Each month, the assessor shall identify the amount of
27 revenue attributable to the town under this section, subtract the costs of administering this
28 section and certify the net amount due the town to the Treasurer of State. The Treasurer
29 of State shall make monthly payments of the net amount certified under this subsection to
30 the treasurer of the town.

31 For purposes of this subsection, "costs of administering this section" means the lesser of
32 the actual cost to the assessor and 2% of the total revenue generated by local option sales
33 and use taxes.

34 **5. Disposition of municipal share.** The treasurer of the town shall deposit the
35 revenue received pursuant to subsection 4 in a segregated account. The town shall
36 determine its annual budget and assessment without consideration of the amount received
37 pursuant to subsection 4. Funds within the segregated account may be used only as
38 provided in this subsection.

1 than the previous year's property tax rate, then this bill requires a 2/3 vote of the
2 governing body of the town to pass the budget containing the higher tax rate.