



130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1342

H.P. 993

House of Representatives, March 30, 2021

An Act To Authorize a Local Option Sales Tax on Lodging and Other Goods and Provide Funding for Tax Abatement and Rental Relief

Reference to the Committee on Taxation suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative SYLVESTER of Portland.

1	Be it enacted by the People of the State of Maine as follows:
2 3	Sec. 1. 30-A MRSA §4722, sub-§1, ¶FF, as amended by PL 2019, c. 555, §2, is further amended to read:
4 5 6 7 8 9	FF. Provide grants to eligible homeowners who are served by private well water that shows evidence of high levels of arsenic contamination. For purposes of this paragraph, "homeowner" includes an individual who occupies a single-family dwelling that is located on land that is owned by a member of that individual's immediate family and "immediate family" means a spouse, parent, child, sibling, stepchild, stepparent and grandparent; and
10 11	Sec. 2. 30-A MRSA §4722, sub-§1, ¶GG, as enacted by PL 2019, c. 555, §3, is amended by amending the first blocked paragraph to read:
12	Rules adopted under this paragraph are routine technical rules-; and
13	Sec. 3. 30-A MRSA §4722, sub-§1, ¶HH is enacted to read:
14 15 16 17 18	HH. Create a program to provide property tax relief and rent relief using revenue from the local option sales tax imposed pursuant to Title 36, section 1820 and distributed to the Maine State Housing Authority under Title 36, section 1820, subsection 6, paragraph B. The program must be available to a municipality that applies directly to the authority and that meets qualifications as established by the authority.
19 20 21	<u>The authority shall adopt routine technical rules pursuant to Title 5, chapter 375,</u> <u>subchapter 2-A to implement the provisions of this paragraph, including the application</u> <u>process and qualifications.</u>
22	Sec. 4. 36 MRSA §1820 is enacted to read:
23	§1820. Municipal local option sales tax on lodging; funding for rural development
24 25	1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
26 27 28	 <u>A.</u> "Local option sales tax" means a sales tax imposed pursuant to subsection 2. <u>B.</u> "Participating municipality" means a municipality that has imposed a local option sales tax pursuant to this section.
29 30 31	2. Authorization to impose local option sales tax. A municipality by referendum conducted pursuant to subsection 8 may impose a local option sales tax of 1% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp.
32 33 34	3. Local option sales tax limited to lodging. A municipality may not impose a local option sales tax on the value of rental of living quarters of any hotel, rooming house or tourist or trailer camp not subject to tax pursuant to section 1811.
35 36	<u>4. Notify State Tax Assessor.</u> A participating municipality shall notify the assessor at least 90 days before the local option sales tax is effective.
37 38 39 40 41	5. Administration. A retailer in a participating municipality shall transfer the revenue from a local option sales tax at the time and in the manner provided in section 1951-A for the transfer of state sales tax revenue. The tax is subject to the same enforcement provisions, interest, penalties and administrative actions as other taxes assessed under this Part.

1	6. Distribution of revenue. Quarterly, the assessor shall identify the amount of
2	revenue attributable to each participating municipality under this section, subtract the costs
3	of administering this section and certify the net amount for that municipality to the
4	Treasurer of State for distribution pursuant to this subsection. From the net amount
5	certified for a municipality under this subsection, the Treasurer of State shall make monthly
6	payments as follows:
7	A. Ninety percent to the participating municipality; and
8	B. Ten percent to the Maine State Housing Authority to fund the property tax and rent
9	relief program established pursuant to Title 30-A, section 4722, subsection 1,
10	paragraph HH.
11	For the purposes of this subsection, the unorganized territory must receive reimbursement
12	as if it is one municipality.
13	For purposes of this subsection, "costs of administering this section" means the lesser of
14	the actual cost to the assessor of administering this section and 2% of the total revenue
15	generated by a local option sales tax.
16	7. Effect on revenue sharing and other state aid programs. Revenue received
17	pursuant to subsection 5 may not be considered to be receipts from the taxes imposed under
18	this Part for the purpose of transfers to the Local Government Fund under Title 30-A,
19	section 5681. Revenue received pursuant to subsection 5 may not be used to reduce or
20	eliminate any funding otherwise due a municipality under any provision of law providing
21	aid to the municipality, including, but not limited to, aid for schools, roads, public
22	assistance or jails.
23	8. Referendum. The question of whether to impose a local option sales tax must be
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45 municipality. Ninety percent of the revenue from the local option sales tax is distributed to 44 the municipality imposing the local option sales tax. The other 10% is distributed to the

- 1 Maine State Housing Authority, which is required to establish a program of property tax 2 relief and rent relief for municipalities using the revenue.
- Revenue received by a municipality may not be used to reduce or eliminate funding
 otherwise due the municipality under other provisions of law. The local option sales tax
 may not take effect before July 1, 2022.