

MAINE STATE LEGISLATURE

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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.

A handwritten signature in cursive script that reads "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 **Sec. 1. 30-A MRSA §4722, sub-§1, ¶FF**, as amended by PL 2019, c. 555, §2, is
3 further amended to read:

4 FF. Provide grants to eligible homeowners who are served by private well water that
5 shows evidence of high levels of arsenic contamination. For purposes of this
6 paragraph, "homeowner" includes an individual who occupies a single-family dwelling
7 that is located on land that is owned by a member of that individual's immediate family
8 and "immediate family" means a spouse, parent, child, sibling, stepchild, stepparent
9 and grandparent; ~~and~~

10 **Sec. 2. 30-A MRSA §4722, sub-§1, ¶GG**, as enacted by PL 2019, c. 555, §3, is
11 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 HH. Create a program to provide property tax relief and rent relief using revenue from
15 the local option sales tax imposed pursuant to Title 36, section 1820 and distributed to
16 the Maine State Housing Authority under Title 36, section 1820, subsection 6,
17 paragraph B. The program must be available to a municipality that applies directly to
18 the authority and that meets qualifications as established by the authority.

19 The authority shall adopt routine technical rules pursuant to Title 5, chapter 375,
20 subchapter 2-A to implement the provisions of this paragraph, including the application
21 process and qualifications.

22 **Sec. 4. 36 MRSA §1820** is enacted to read:

23 **§1820. Municipal local option sales tax on lodging; funding for rural development**

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

26 A. "Local option sales tax" means a sales tax imposed pursuant to subsection 2.

27 B. "Participating municipality" means a municipality that has imposed a local option
28 sales tax pursuant to this section.

29 **2. Authorization to impose local option sales tax.** A municipality by referendum
30 conducted pursuant to subsection 8 may impose a local option sales tax of 1% on the value
31 of rental of living quarters in any hotel, rooming house or tourist or trailer camp.

32 **3. Local option sales tax limited to lodging.** A municipality may not impose a local
33 option sales tax on the value of rental of living quarters of any hotel, rooming house or
34 tourist or trailer camp not subject to tax pursuant to section 1811.

35 **4. Notify State Tax Assessor.** A participating municipality shall notify the assessor
36 at least 90 days before the local option sales tax is effective.

37 **5. Administration.** A retailer in a participating municipality shall transfer the revenue
38 from a local option sales tax at the time and in the manner provided in section 1951-A for
39 the transfer of state sales tax revenue. The tax is subject to the same enforcement
40 provisions, interest, penalties and administrative actions as other taxes assessed under this
41 Part.

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.

3 Revenue received by a municipality may not be used to reduce or eliminate funding
4 otherwise due the municipality under other provisions of law. The local option sales tax
5 may not take effect before July 1, 2022.