MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1212

S.P. 493

In Senate, March 20, 2023

Resolve, to Study the Economic Effects of Instituting a Seasonal Sales Tax

Reference to the Committee on Taxation suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

Cosponsored by Senator: CHIPMAN of Cumberland, Representative: DUCHARME of Madison.

- **Sec. 1. Study effects of a seasonal sales tax. Resolved:** That the Department of Administrative and Financial Services, Maine Revenue Services shall conduct a study on the effects of a seasonal sales tax. The study must include:
- 1. An estimate of the revenue that would be collected through the adoption of a seasonal sales tax, including the amount of tax revenue that different seasonal sales tax schemes would raise compared to the current sales tax and the share of tax revenue collected from year-round residents of the State under the same seasonal sales tax schemes. The seasonal sales tax schemes must include variations in tax rates, tax bases and seasonal periods;
- 2. An analysis of the effects of a seasonal sales tax on the economy, consumer spending and businesses, including the consumer responses of year-round residents of the State and tourists regarding shifting the timing of purchases or visits to the State and whether a seasonal sales tax would allow tourism-dependent businesses to make better use of capital and fixed costs in their respective off-seasons; and
- 3. An investigation of the effects of seasonal sales tax schemes in use in other jurisdictions, including South Dakota and certain municipalities in Alaska.

In conducting the study, the Department of Administrative and Financial Services, Maine Revenue Services shall solicit input from stakeholder groups, including HospitalityMaine, the Maine Tourism Association, the Maine Snowmobile Association, the Sportsman's Alliance of Maine, the Maine Center for Economic Policy, the Maine People's Alliance, the Maine AFL-CIO, Maine Equal Justice and the Ski Maine Association.

Sec. 2. Report. Resolved: That the Department of Administrative and Financial Services, Maine Revenue Services shall submit a report with its findings and recommendations related to the study under section 1 to the Legislature no later than December 6, 2023.

26 SUMMARY

This resolve requires the Department of Administrative and Financial Services, Maine Revenue Services to conduct a study on the effects of a seasonal sales tax.