

MAINE STATE LEGISLATURE

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Date 6/20/23 *Minority* L D 1852
(Filing No H- 626)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P 1182, L D 1852, "An Act to Eliminate the Lodging Tax on Campground Sites and Revert to Using the Current Sales Tax"

Amend the bill by striking out the title and substituting the following
'An Act to Change the Sales Tax on Rentals of Recreational Vehicles and Rentals of Sites for Tents or Recreational Vehicles to the General Rate Rather than the Rate on Lodging'

Amend the bill by striking out all of section 1 and inserting the following
'Sec. 1. 36 MRSA §1811, sub-§1, ¶D, as amended by PL 2021, c 578, §4, c 658, §286, and c 669, §5, is further amended by amending subparagraph (3) to read

(3) Nine percent on the value of rental of living quarters in any a hotel, rooming house or tourist or trailer camp. This subparagraph does not apply to rentals of recreational vehicles, as defined in Title 10, section 1432, subsection 18-A, or rentals of sites for tents or recreational vehicles.'

Amend the bill by inserting after section 2 the following
'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made

**ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF
Office of Tourism 0577**
Initiative Reduces allocations due to the reduction in the sales tax on rentals of recreational vehicles and sites for tents and recreational vehicles from 9% to 5% effective October 1, 2023

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$0	(\$146,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	(\$146,000)

COMMITTEE AMENDMENT

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

SUMMARY

This amendment changes the rentals subject to the 5.5% sales tax rate to rentals of recreational vehicles and rentals of sites for tents and recreational vehicles. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 1852

LR 1798(02)

An Act to Eliminate the Lodging Tax on Campground Sites and Revert to Using the Current Sales Tax

Fiscal Note for Bill as Amended by Committee Amendment A (H-626)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$1,265,400	\$2,694,500	\$2,530,600	\$2,595,800
Appropriations/Allocations				
Other Special Revenue Funds	\$0	(\$146,000)	(\$365,000)	(\$372,000)
Revenue				
General Fund	(\$1,265,400)	(\$2,694,500)	(\$2,530,600)	(\$2,595,800)
Other Special Revenue Funds	(\$66,600)	(\$295,500)	(\$517,400)	(\$528,200)

Fiscal Detail and Notes

Reducing the sales tax on rentals of recreational vehicles and sites for tents and recreational vehicles from 9% to 5.5% effective October 1, 2023 will reduce General Fund revenue by \$1,265,400 in fiscal year 2023-24 and \$2,694,500 in fiscal year 2024-25. It will also reduce Local Government Fund revenue by \$66,600 in fiscal year 2023-24 and \$149,500 in fiscal year 2024-25 and reduce the amount of revenue received in the Tourism Marketing Promotion Fund by approximately \$146,000 in fiscal year 2024-25.

This bill includes a corresponding Other Special Revenue Funds deallocation to the Office of Tourism within the Department of Economic and Community Development to reflect the reduction in revenue.