



# 130th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2021

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Legislative Document

No. 1418

S.P. 468

In Senate, April 12, 2021

### **An Act To Allow a Local Option Sales Tax on Meals and Lodging**

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Received by the Secretary of the Senate on April 8, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator LUCHINI of Hancock.

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

2 **Sec. 1. 36 MRSA §1820** is enacted to read:

3 **§1820. Municipal local option sales tax on meals and lodging**

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

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

7 B. "Participating municipality" means a municipality that has imposed a local option  
8 sales tax.

9 C. "Prepared food" does not include marijuana plant or marijuana products sold  
10 pursuant to the Maine Medical Use of Marijuana Act or adult use marijuana or adult  
11 use marijuana products, as defined in Title 28-B, section 102, subsections 1 and 2,  
12 respectively.

13 **2. Authorization to impose local option sales tax.** A municipality by referendum  
14 conducted pursuant to subsection 9 may impose a local option sales tax of no more than  
15 1% on prepared food and the value of rental of living quarters in any hotel, rooming house  
16 or tourist or trailer camp and may limit the period of time the tax is imposed to specified  
17 months of the year.

18 **3. Local option sales tax limited to taxable meals and lodging.** A municipality may  
19 not impose a local option sales tax on prepared food or the value of rental of living quarters  
20 of any hotel, rooming house or tourist or trailer camp not subject to tax pursuant to section  
21 1811.

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

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

29 **6. Distribution of revenue.** Each month, the assessor shall identify the amount of  
30 revenue attributable to each participating municipality under this section, subtract the costs  
31 of administering this section and certify the net amount for that municipality to the  
32 Treasurer of State for distribution pursuant to this subsection. From the net amount  
33 certified for a municipality under this subsection, the Treasurer of State shall make monthly  
34 payments as follows:

35 A. To the participating municipality, 85% of the net amount; and

36 B. To all other municipalities, 15% of the net amount.

37 For purposes of this subsection, "costs of administering this section" means the lesser of  
38 the actual cost to the assessor of administering this section and 2% of the total revenue  
39 generated by a local option sales tax.

