



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1645

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H.P. 1136

House of Representatives, July 20, 2017

**An Act To Reduce the Rate of Tax Imposed on the Rental of Living  
Quarters**

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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 WINSOR of Norway. (GOVERNOR'S BILL)

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

2 **Sec. 1. 5 MRSA §13090-K, sub-§2**, as amended by PL 2015, c. 267, Pt. OOOO,  
3 §1 and affected by §7, is repealed and the following enacted in its place:

4 **2. Source of fund.** Transfers to the Tourism Marketing Promotion Fund must be  
5 made according to this subsection.

6 A. By October 1st annually, beginning in 2013 and ending in 2017, the State  
7 Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as  
8 certified by the State Tax Assessor, that is equivalent to 5% of the 8% tax imposed on  
9 tangible personal property and taxable services pursuant to Title 36, section 1811 for  
10 the last 6 months of the prior fiscal year after the reduction for the transfer to the  
11 Local Government Fund as described by Title 30-A, section 5681, subsection 5.

12 B. By July 1st annually, beginning in 2014 and ending in 2017, the State Controller  
13 shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by  
14 the State Tax Assessor, that is equivalent to 5% of the 8% tax imposed on tangible  
15 personal property and taxable services pursuant to Title 36, section 1811 for the first  
16 6 months of the prior fiscal year after the reduction for the transfer to the Local  
17 Government Fund as described by Title 30-A, section 5681, subsection 5.

18 C. On July 1, 2018, the State Controller shall transfer to the Tourism Marketing  
19 Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent  
20 to 5% of the 8% tax imposed on tangible personal property and taxable services for  
21 the first 6 months of the prior fiscal year plus 5% of the 9% tax imposed on the rental  
22 of living quarters from July 1, 2017 to October 31, 2017 and 5% of the tax imposed  
23 on the rental of living quarters from November 1, 2017 to December 31, 2017  
24 pursuant to Title 36, section 1811 after the reduction for the transfer to the Local  
25 Government Fund as described by Title 30-A, section 5681, subsection 5.

26 D. By October 1st annually, beginning in 2018, the State Controller shall transfer to  
27 the Tourism Marketing Promotion Fund an amount, as certified by the State Tax  
28 Assessor, that is equivalent to 5% of the 8% tax imposed on tangible personal  
29 property and taxable services and 5% of the tax imposed on the rental of living  
30 quarters pursuant to Title 36, section 1811 for the last 6 months of the prior fiscal  
31 year after the reduction for the transfer to the Local Government Fund as described  
32 by Title 30-A, section 5681, subsection 5.

33 E. By July 1st annually, beginning in 2019, the State Controller shall transfer to the  
34 Tourism Marketing Promotion Fund an amount, as certified by the State Tax  
35 Assessor, that is equivalent to 5% of the 8% tax imposed on tangible personal  
36 property and taxable services and 5% of the tax imposed on the rental of living  
37 quarters pursuant to Title 36, section 1811 for the first 6 months of the prior fiscal  
38 year after the reduction for the transfer to the Local Government Fund as described  
39 by Title 30-A, section 5681, subsection 5.

40 The tax amounts specified in this subsection must be based on actual sales for that fiscal  
41 year and may not consider any accruals that may be required by law. The amount  
42 transferred from General Fund sales and use tax revenues does not affect the calculation  
43 for the transfer to the Local Government Fund.





# 128th MAINE LEGISLATURE

**LD 1645**

**LR 2406(01)**

## **An Act To Reduce the Rate of Tax Imposed on the Rental of Living Quarters**

### **Preliminary Fiscal Impact Statement for Original Bill**

**Sponsor: Rep. Winsor of Norway**

**Committee: Not Referred**

**Fiscal Note Required: Yes**

### **Preliminary Fiscal Impact Statement**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Projections FY 2019-20</b>	<b>Projections FY 2020-21</b>
<b>Net Cost (Savings)</b>				
General Fund	\$4,447,110	\$15,052,550	\$15,169,824	\$15,786,158
<b>Revenue</b>				
General Fund	(\$4,447,110)	(\$15,052,550)	(\$15,169,824)	(\$15,786,158)
Other Special Revenue Funds	(\$90,757)	(\$562,450)	(\$1,077,576)	(\$1,096,138)

#### **Fiscal Detail and Notes**

This bill decreases the sales tax rate on lodging by 1.5% effective 11-1-17 and would result in a reduction in General Fund revenue of \$4,447,110 in fiscal year 2017-18 and \$15,052,550 in fiscal year 2018-19 and a reduction in Local Government Fund revenue of \$90,757 in fiscal year 2017-18 and \$312,300 in fiscal year 2018-19. It would also result in a reduction in Tourism Marketing Promotion Fund revenue of \$250,150 in fiscal year 2018-19.