

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: May 3, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 427, An Act To Authorize Options for Local Revenue Enhancement

Summary: This bill allows a municipality to impose a local option sales tax, which may be seasonal, of 5% or less by local referendum.

Public Hearing:

Proponents

- The sponsor presented the bill, provided written testimony and explained that she wants to amend the bill. (See suggestions for amendment below.)

Opposed

- Those testifying in opposition to the bill included representatives from the Maine Automobile Dealers Association, the Old Orchard Beach Chamber of Commerce and several representatives of the hospitality industry. See testimony sign-in sheet on back.
- *Major points:* consumption taxation should be at state level; may discourage regional tourism work; adds another layer of taxation.

NFNA- none.

Suggestions for Amendment:

- Take out large ticket items such as automobiles
- Address lodging tax concerns
- Add provisions related to signs
- Could be a pilot project

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was finalized. The most current fiscal information on bills can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.