



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 908

S.P. 397

In Senate, March 11, 2025

**An Act to Eliminate the Sales Tax on Prepared Foods and Support
the State's Hospitality Industry**

Received by the Secretary of the Senate on March 5, 2025. 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 MARTIN of Oxford.
Cosponsored by Senators: GUERIN of Penobscot, TIMBERLAKE of Androscoggin,
Representatives: FLYNN of Albion, HENDERSON of Rumford, JACKSON of Oxford,
RUDNICKI of Fairfield.

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

2 **CONCEPT DRAFT**

3 **SUMMARY**

4 This bill is a concept draft pursuant to Joint Rule 208.

5 This bill proposes to eliminate the 8% sales tax on all prepared foods, including meals
6 served in restaurants, for the purpose of boosting economic activity by making dining out
7 more affordable. The Department of Economic and Community Development would be
8 required to initiate an advertising campaign to encourage tourism in Maine and promote
9 dining establishments as tax-free, with the exception of alcoholic beverages.

10 The loss of revenue from the repeal of the sales tax on prepared foods would be offset
11 in a number of ways, including:

12 1. Broadening the items subject to sales tax and increasing the rate of the sales tax on
13 certain high-end luxury items, such as bicycles, boating gear and other recreational
14 equipment; high-end electronics, such as smartphones and laptops; and elective medical
15 procedures that are not medically necessary;

16 2. Performing an assessment of sales tax exemptions on nonessential goods and
17 services to ensure that only those exemptions that are intended to provide a fair system of
18 taxation are retained; and

19 3. Conducting a comprehensive audit of state government programs and expenditures
20 to eliminate inefficiencies and waste.