

Greg Soutiea
SPRUCE HEAD
LD 283

Testimony in Opposition of LD-283: "An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue Under the State-Municipal Revenue Sharing Program"

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Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, my name is Greg Soutiea and together with my wife Lauren Soutiea, we own have owned the Craignair Inn by the Sea and Causeway Restaurant in St. George for over 6 years now. We have grown the seasonal restaurant from 7 employees to now over 50 in peak season and a year-round restaurant giving us the opportunity to support 20+ of our staff with year-round jobs.

I believe that this could jeopardize critical funding that is used to promote Maine as a tourist destination. Keeping these funds with the Maine Office of Tourism is imperative to the hospitality industry in our state. According to the Maine office of Tourism, Summer 2024 tourism decreased by 9%. In addition to decreasing tourism numbers and revenue we have seen dozens of restaurants close across the state in the past few years with increasing labor costs, increasingly challenging regulations that cost small business owners like us time and money, housing challenges, skyrocketing cost of goods, and more. According to a December article by Maine radio station Q97.9 (<https://wjbq.com/maine-restaurants-closed-2024/>), 37 restaurants closed in Maine in 2024.

Now is not the time to jeopardize funding for Maine tourism that was estimated to bring in \$16 billion to the state economy in 2023.

This effort to create a local options sales tax using existing state funds could have a detrimental effect that the hospitality industry may not recover from. Furthermore, to give these funds to municipalities without any direction as to how it should be spent is another blow to the small businesses that employ 56.3% of the state's workforce (SBA) and the hospitality/tourism sector that employs 1 in 9 Mainers. (Maine.gov/labor).