

Enoch Albert
Bar Harbor
LD 746

I urge you to support LD746, the Local Options Lodging Tax bill.

This bill would:

contribute significant additional funds to tourism communities directly to help offset tourism-related costs.

directly benefit the citizens of the towns, but would also benefit visitors due to the high level of services the towns would be able to provide daily in peak season.

would also create a bridge between the tourists and the residents of the towns that they visit. Residents would feel that they also share in the benefits, rather than just the burdens, of the high levels of tourism.

generate income to assist in reducing ever-increasing property tax burdens, substantial school construction needs, and previously approved major infrastructure bonds.

Other locations across the country that are known for tourism driven economies employ different tax policies when dealing with tourist stays. When comparing just state lodging taxes, Maine ranks high (3rd highest) with the state mandated 9% lodging tax. <https://www.ncsl.org/elections-and-campaigns/state-lodging-taxes>.

However when we look at the same tourist communities and add in the additional local option taxes or other county or city taxes for those respective states and regions, Maine goes from being tied as the 3rd highest to being the 2nd lowest. Despite the state's growing tourism economy, including in rural areas driven by platforms such as Airbnb and VRBO, Maine is one of only three states that does not allow municipalities to implement a local lodging tax to help alleviate this tax burden. The ever increasing property taxes have caused financial strain for many year round residents, including families, retirees and seniors.

Some of the arguments that have been used by the lodging industry to fight the local options tax bills in the past are not accurate.

A local option sales tax would pit towns against each other.

This has not been proven to be an issue. Every town could see a benefit as almost all towns these days have Air BnBs and short term rentals. In addition, all towns would benefit from the revenue that would be added to the statewide affordable housing fund.

It would damage Maine's overall competitiveness in attracting visitors.

This argument would be true if the local option tax raised our rates into the high taxation end of popular tourist locations. However this would place our lodging taxes at 11% and we would still remain as one of the most affordable tourist destinations in the country.

In summary, this is not a tax on all residents of Maine, it is a "surcharge" on the tourists who visit our beautiful state and helps to support all the towns in Maine through funds going directly to relieve high property taxes and to support the state affordable housing fund.