



Testimony in Opposition to LD-225
***“An Act to Reduce Property Taxes and Finance Public School Construction and Education
Through a 3 Percent Sales Tax on Hotel and Lodging Place Rentals”***

Dear Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation:

My name is Matthew Levin, and I am the Director of Hotels for the Bay View Collection, which includes the Lord Camden Inn, Grand Harbor Inn, 16 Bay View, and the Rockport Harbor Hotel, located in Camden and Rockport, Maine. I am also the former Board Chair for Hospitality Maine, and current Board President for the New England Inns and Resorts Association.

Since 2004, I have proudly worked in the hospitality industry in our great State of Maine, employing hundreds of hospitality workers over the past many years, significantly contributing to Maine’s hospitality industry and supporting our local economy. I am here today to strongly oppose LD-225 and share why this proposed lodging tax increase from 9% to 12% would be catastrophic to our industry and very harmful to our State’s economy.

Maine’s tourism industry is the backbone of many communities, providing jobs and sustaining countless small businesses. Raising the lodging tax to one of the highest in the nation would place an unnecessary burden on both visitors and local residents. Many of our guests—roughly 35% each year—are Maine residents, and this increase would take thousands of dollars out of their pockets. Higher lodging costs mean tighter travel budgets, reducing visitor spending in restaurants, shops, and attractions, which directly impacts local businesses. With these higher taxes, travelers will simply choose not to vacation or staycation in Maine, heading to other nearby locations where the costs are much less.

A 12% lodging tax would rank us as the 3rd highest in the nation, and put us at a distinct competitive disadvantage with our neighboring New England States of New Hampshire, Vermont, and Massachusetts. Travelers with limited budgets, will choose to visit these States instead of ours. A lose-lose situation.

We are already facing a decline in visitors—down approximately 9% according to the Maine Office of Tourism. Rather than discouraging travel with higher taxes, we should be finding ways to attract more visitors and strengthen our economy. Implementing this tax will only accelerate the downward trend, making it even harder for Maine’s hospitality businesses to thrive. Costs are already much higher for fuel, food, medicine, insurance... Increasing our State’s Lodging Tax will only be adding salt to the wound and would more likely have the opposite effect you are looking for - decreasing our lodging tax revenues, not increasing them.

I urge you to consider the long-term consequences of this proposal and seek alternative solutions that do not place additional strain on the tourism industry and small business owners across the State. Thank you for your time and consideration.

Matthew Levin,

Director of Hotels



Matthew Levin
Camden
LD 225

Testimony in opposition to LD 225 attached.