



**Maine's
Home
Airport.**

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Testimony to the Taxation Committee

On: LD 1807 "An Act to Expand the Sales Tax to Luxury Services and Adjust the Sales Tax on Rental Cars"

May 9, 2025

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee. My name is Paul Bradbury and I serve as Airport Director for the Portland International Jetport. Thank you for the opportunity to provide testimony against LD 1807, noting the concerns it raises for the Portland International Jetport.

The Portland International Jetport provides an important connection for Maine residents, businesses, and visitors to the national and international air transportation systems. It provided this connection to more than 2.4 million individuals in 2024, an all-time record. The ability to quickly and efficiently connect Maine to the world is vital to the State's economy. The Jetport's economic benefit was recently calculated in the December 2024 Maine State Aviation System Plan to be \$1.175 billion annually, supporting more than 10,000 jobs and providing estimated state and local taxes of \$86.5 million

The Portland International Jetport is an enterprise fund of the City of Portland. It is self-sustaining and does not receive any financial support from City of Portland taxpayers. All debt is backed only by Jetport revenues which are generated by passengers who, in a competitive market place, choose the Jetport as their connection to the air transportation system.

It is critical that the Jetport be responsive to all our users if we hope to remain the airport of choice for travelers flying into and out of Maine. It wasn't too many years ago that this distinction was held by Boston Logan International. The summer and fall season is a critical part of our business, and a key component of this business is travelers who arrive and tour our great state. There is only one way for most visitors to tour Maine – rent a car. I am concerned the increase in rental car taxes from 10% to 15% a dramatic 50% increase proposed under LD 1807 will make the Jetport less competitive relative to its out of state peers when it comes to providing this service. Why fly to Portland if the overall cost for your trip is less via Manchester-Boston Regional Airport or Boston Logan International? In New Hampshire there is 9% surcharge on rental cars and in Massachusetts there is a 6.25% sales tax and \$12 in fees and surcharges. Both are lower than Maine's current sales tax of 10%, so our business model is already strained relative to our out of state competitors. I know from experience that today's travelers are very sophisticated and use technology to find the lowest total cost to fulfill their travel plans.

Additionally, beyond our regional peers this increase to 15% appears to move our rental car sales tax to the highest in the nation. If local taxes and surcharges are included, a 15% sales would rank us the 9th highest total tax on rental cars in the U.S.

The revenues generated by the current 10% rental car tax are very important to our state. It would be disappointing to increase this tax so dramatically that it causes our rental car market to stagnate or decline and ultimately reduce tax revenues and negatively impact the market for air travel into Maine. Please give the Portland International Jetport and all Maine airports the ability to remain competitive on the complete travel package and reject this proposed increase in the rental car tax.