

Good morning, Sen. Grohoski, Rep. Perry and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara I am the Vice President of Advocacy for the Maine State Chamber of Commerce and a resident of Winthrop. I am here today to testify in opposition to ~~local option tax bills~~, L.D. 1893, "An Act to Allow a Municipality to Impose a Fee on Short Term Rentals for the Benefit of That Municipality."

This so-called "local option fee" is nothing more than a local option sales tax in our opinion. And we oppose this bill for the same reason we oppose all local option tax bills. Over the years, numerous local option tax or "fee" bills have been brought before the Maine Legislature and all have been defeated.

The Maine State Chamber has long opposed any legislation that has proposed local option sales taxes or local option fees for a variety of reasons, including:

- This increases the total tax burden in the state.
- Local option taxes or fees are nothing more than another way to raise revenue for municipalities and would do nothing to reduce tax burden at the local level. Municipalities need to focus on spending efficiencies and not just continually raising taxes and fees on Maine businesses and Maine people.
- Once local option taxes are in place, they would be virtually impossible to remove because that municipality would become dependent on the revenue.

For these reasons and more, we urge the Committee to vote No on both L.D. 1893.