

LD 283 “An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue under the State-Municipal Revenue Sharing Program”

Testimony of Peter N. Connell

Good afternoon Senator Grohoski, Representative Cloutier and distinguished members of the Taxation Committee. My name is Peter Connell, I live in South Portland, ME and I am the Director of Government Affairs for Ocean Properties. I am here today to offer testimony in opposition to LD 283 “An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue under the State-Municipal Revenue Sharing Program”

Tourism in Maine was down 9% in 2024 and passage of this bill would likely reduce the funding available that promotes Tourism in Maine. The funds from meals and lodging taxes that are transferred to the Maine Tourism Fund annually are essential to fund the promotion of Tourism.

Maine already has a high lodging tax of 9%, with only 5 states having a higher one. New Hampshire, a direct Tourism competitor, is also at 9%, but has a distinct advantage by having no sales tax. This disadvantages Maine people in general, and Maine businesses along with their employees.

Tourism spending accounts for an estimated \$9 Billion annually and has in the range of a \$16 Billion economic impact on Maine’s economy. Preserving and advancing this vital industry is critical.

I believe that local option sales tax is detrimental to Maine Residents, Maine workers, and Maine ancillary Businesses. Given last year’s decrease in volume, the possibility of less promotion, and potentially making visits to Maine more expensive, LD 283 is not an advisable course of action for Maine. In the words of the New York Knicks NBA legend, Charles Oakley, “If it ain’t broke, don’t break it!” Please join the tourism industry in opposing this bill.

Thank you for the opportunity to speak to you today and I’d be happy to provide additional information necessary for the work session.