



Opposition to LD 225

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

My name is Audrey Miller, for the past 32 years I have owned and operated Cottage Connection in Boothbay. I am also the founding President of the Vacation Rental Professionals of Maine established as a non-profit in 2014 to give vacation rentals a voice in Augusta.

Honorable members of the committee, I stand before you today with significant concerns regarding LD 225, the proposed lodging tax increase. This bill represents a dangerous gamble with Maine's economic future, its vital tourism industry, and our competitive standing.

1. **A 33% Tax Increase: A Risky Bet:** Let's be clear: this is not a mere 3% increase; it's a substantial 33% hike in the lodging tax. Tourism, our state's largest revenue generator, is already showing signs of vulnerability. Data from the Maine Office of Tourism indicates a 9% decrease in tourism in 2024 compared to 2023. This proposed tax increase throws fuel on a fire that is already smoldering.
2. **Slowing Reservations: A Sign of Economic Uncertainty:** From my own experience, I can tell you that reservations are significantly slower this year. People are understandably anxious about the economy. The volatile stock market and rising costs are creating a climate of uncertainty. Adding this substantial tax burden, coupled with potential local option taxes, is a reckless gamble that could severely deter travelers.
3. **Mainers Staycationing: A Shared Stake:** How many of you here today choose to vacation right here in Maine? According to the Maine Office of Tourism, one-third of lodging stays are booked by Mainers. We are not just talking about impacting out-of-state visitors; we are gambling with the vacation plans of our own residents.
4. **Florida Comparisons: A False Premise:** I've heard the argument that other states, like Florida, add extra taxes. But what works in Florida does not automatically translate to success in Maine. Our tourism landscape, our economy, and our visitor demographics are vastly different. To blindly mimic other states is to gamble on an unproven strategy.
5. **Investing in Growth, Not Gambling with Decline:** Instead of following the crowd and taking a risky gamble, let's focus on Maine's unique strengths. Let's invest in innovative strategies to build and enhance our tourism industry. Let's find alternative, sustainable solutions to address the budget deficit, without jeopardizing the very industry that sustains us. Why gamble with our largest revenue stream when we can invest in its future?

To summarize, raising the lodging tax by 33% is a dangerous gamble. We are putting our tourism industry, our economy, and our competitiveness at risk. Let's choose a path of strategic growth and responsible fiscal management, rather than a path of uncertainty and potential decline.

Please vote Ought Not To Pass.