

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”

Testimony of Peter Connell

Good Afternoon Senator Grohoski, Representative Cloutier and distinguished members of the Taxation committee. I am still Peter Connell, I still live in South Portland, ME and if successful I will still be the Director of Government Affairs for Ocean Properties. I kid, I kid. I am here today to offer testimony in opposition to LD 225.

As mentioned earlier, but bears repeating, Tourism in Maine was down 9% in 2024. Maine already had a high lodging tax of 9% with only 5 states exceeding that number. New Hampshire, a direct tourism competitor, is also at 9%, but has a distinct advantage by having no sales tax. This proposal of a 33% increase would place us as the 2nd highest state lodging tax in the country! We were already known as a high tax state and this rate would launch us to a new level. This is detrimental Maine people in general, as well as Maine Businesses and their employees.

Tourism spending accounts for an estimated \$16 Billion economic impact on Maine’s economy. Preserving and advancing this vital industry is critical to us. Given last year’s decrease in volume, making visits to Maine more expensive, coupled with the potential tariffs, which as reported in the Portland Press Herald are already causing seasonal cancelations, LD 225 could be disastrous for Maine Tourism. As mentioned, the thought of adoption of local option sales tax, particularly at this level, could not have come at a worse time.

Please join Maine’s tourism industry in opposing this bill. Thank you for the opportunity to speak today and the industry will be happy to provide additional information for the works sessions.