

LD 632 “An Act to Allow Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing”

LD 746 “An Act to Authorize a Local Option Sales Tax to Fund Municipalities and Affordable Housing”

Testimony of Peter 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 632 and LD 746.

Tourism in Maine was down 9% in 2024. Maine already has 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. We are already known as a high tax state and yet another tax would further exacerbate the issue. This disadvantages 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 632 and LD 746 are not advisable courses of action for Maine. The thought of adoption of local option sales tax could not have come at a worse time.

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