

Senator Sanborn, Representative Tepler and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Greg Dugal and I am representing Hospitality Maine on behalf of our over 1000 hospitality business members, speaking in support of LD 1544, An Act Regarding Credit and Debit Card Merchant Fees. Credit card processing fees are a very large part of the expense of running a hospitality business. Our industry is required by the State of Maine to assess and collect higher consumption taxes than almost any other industry in the state. Those numbers are 8% for prepared meals (restaurants among others) and 9% for lodging.

A Maine restaurant with gross sales in the \$1 million dollar range and a Maine inn with \$2 million in gross sales will spend almost \$40,000 in fees annually and the inn over \$70,000 including sales processed on credit cards to include the actual sale, any gratuity and Maine state sales tax. The restaurant will be out approximately \$2,500 on processing fees for collecting the State's consumption tax and the inn almost \$5,500.

This proposal would stop the unfair practice of hospitality properties having to pay a fee to collect the tax that they are required to collect by law. It also does not require the state to pay anything, thereby not creating a fiscal note when all possible State collections are necessary to get us out of our pandemic rut. The amount charged by the credit card industry from processing companies to Mastercard and Visa increase on an annual basis any way as prices and volume increase, they could easily make up this deficit over a year or so on that appreciation or menu price inflation alone.

We are certainly respectful and appreciative of the efforts made by banks, processors and the credit card companies, but it seems inherently unfair to make a small business pay for the requirement of collecting taxes and support this bill and hope the committee will too and vote LD 1544 out to pass. Thanks for your consideration of this request.

Gregory Dugal
HospitalityMaine

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