



MAINE PLANNING FOR SPECIAL PET FOOD TAX

***** ACTION REQUIRED *****

The Issue.

The Joint Committee on Agriculture, Conservation and Forestry amended a breeder kennel law (LD 964) to include a sales tax increase applicable only on pet foods. Maine's existing 5% Sales Tax would be increased by 1% -- the 1% would be assessed only on pet foods and treats. The funds would go to funding the State's Animal Welfare program. This is in addition to (1) Maine's annual \$20 per brand surcharge imposed on pet food manufacturers to help fund Maine's spay/neuter program and (2) Maine's annual product registration fees of which 50% are used to help fund the Animal Welfare program.

The Impact.

Increasing the sales tax by 1% is a costly matter. Not only will consumers face higher taxes, but retailers will also incur costs of having to (1) rekey their cash registers, (2) reprogram scanning and computer systems, and (3) employees to apply the 5% sales tax on non-food products and 6% on pet food and treats. Nor is it clear if the special excise tax would be restricted to dog and cat foods and treats, or would it also apply to bird seed, fish food, and other non-dog/cat foods and treats.

Inasmuch as this involves a special tax, it is assumed that retailers will have maintain separate accounting records so they can break out the pet food tax from regular sales taxes when they submit their sales tax reports. This will result in further price adjustments on product pricing to recoup the cost of complying with a discriminatory excise tax.

The bottom line is that responsible pet owners will be paying for a program that benefits the entire citizenry yet they are not responsible for the problem. Placing the entire burden on responsible pet owners is discriminatory and unwarranted. The underlying sales price of pet foods and treats will have to be increased to offset the cost of compliance. The cost to a consumer (including the 1% surcharge) will approximate a 3 to 5% increase to cover not only the tax but also the cost of compliance!



Recommended Action.

The amended bill, LD 964, is on its way to the Floor of both Houses. Since the bill originated in the House, it is likely to be voted on in the House before it heads to the Senate Floor.

Call your Representative immediately and tell them you are opposed to a special 1% special tax on pet foods found in LD 964. Also, take time to contact your Senator's office as well.

If you need assistance in identifying your elected officials go to www.maine.gov/legis/house/townlist.htm to look them up. Or, you can [Click Here](#) to visit PIJAC's Legislative Action Center for information on how to contact your state officials.

You can also call the leadership team of the House and Senate, using the numbers listed below:

Senate Democratic Leadership

Elizabeth Mitchell, Senate President, (Kennebec County) (207) 287-1500

Phillip L. Bartlett II, Senate Majority Leader (Cumberland County), (207) 287-1515

Lisa T. Marraché, Senate Assistant Majority Leader (Kennebec County) (207) 287-1515

Senate Republican Leadership

Kevin L. Raye, House Senate Leader (Washington County) (207) 287-1505

Jonathan T.E. Courtney, Senate Assistant Minority Leader (York County) (207) 287-1505

House Democratic Leadership

Hannah M. Pingree, Speaker of the House (North Haven), (207) 287-1300

John F. Piotti, House Majority Floor Leader (Unity), (207) 287-1430

Seth A. Berry, House Majority Whip (Bowdoinham), (207) 287-1430

House Republican Leadership

Joshua A. Tardy, House Minority Floor Leader (Newport), (207) 287-1440

Philip A. Curtis, House Assistant Minority Floor Leader (Madison), (207) 287-1440)