

Maine Proposes Sales Tax Increase on Pet Food

Amendment calls for raising sales tax on pet food, treats from 5 percent to 6 percent.

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Maine legislators have proposed increasing the sales tax on pet food to benefit the state's animal welfare program, according to the Pet Industry Joint Advisory Council (PIJAC).

In an alert issued May 22, PIJAC says the Joint Committee on Agriculture, Conservation and Forestry has amended a recently introduced bill to provide for an increase of Maine's sales tax on pet food and treats. The bill, LD 964, initially sought to regulate cat and dog breeders and sellers.

According to PIJAC, the amendment calls for raising the sales tax on pet food and treats from 5 percent to 6 percent. It is not clear if the special tax would be limited to dog and cat food and treats or if it would also apply other kind of pets' food and treats.

Money raised from the 1 percent sales tax increase would go toward the state animal welfare program. The purpose of the program, as stated on Maine's Department of Agriculture website, is to ensure humane and proper treatment of animals by developing, implementing and administering a comprehensive program that upholds the animal welfare laws of Maine.

According to PIJAC, the program already receives funding from Maine's annual \$20 brand surcharge imposed on pet food manufacturers (used for spay-neuter initiative) and the state's annual product registration fees (50 percent of the fees goes to the program).

In its alert, PIJAC claims the 1 percent sales increase is a "costly matter" for retailers and consumers.

Retailers would incur costs through rekeying their cash registers, reprogramming scanning and computing systems, and having their employees apply the 5 percent sales tax on non-food products and 6 percent sales tax on pet food and treats, according to PIJAC.

PIJAC expects the underlying sales price of pet food and treats to be increased to offset the cost of compliance. The cost to a consumer will increase about 3 percent to 5 percent to cover not only the tax but also the compliance, according to PIJAC.

"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," PIJAC stated in its alert. "Placing the entire burden on responsible pet owners is discriminatory and unwarranted."

PIJAC is calling on members of the pet industry to contact Maine representatives and senators to voice opposition of the special 1 percent tax.