23 June 2017

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1601, “An Act To Increase Funds Deposited into the Companion Animal Sterilization Fund through the Pet Food Surcharge.”

This bill was originally submitted as a Governor’s Bill to phase out the $20 pet food surcharge over three years. However the ACF Committee completely re-wrote the bill in order to preserve the surcharge and increase the amount of revenue dedicated to the Companion Animal Sterilization Fund (Fund) which was the exact opposite of what I intended.

I hope the Legislature understands that Maine triple taxes pet food sold in the state. In addition to the sales tax, Maine assesses an $80 fee along with the $20 surcharge for each product line. The registration fee and the surcharge represent a cost of nearly $1 million annually to pet food companies who have to pass on these costs to responsible pet owners. Part of the $80 registration fee helps to fund regulatory work within the Department of Agriculture, Conservation and Forestry (DACF) and I believe that fee is appropriate. The $20 pet food surcharge which is dedicated to the Fund has outlived its usefulness as there are other current revenue streams available.

When the surcharge was first put into law it was expected to raise $100,000 for the Fund, with the excess revenue going to DACF. But as is the case with many government programs, the revenue generated from the tax has grown significantly since it was established. Meanwhile, additional revenue has been coming in from the Animal Welfare license plates and voluntary income tax check-offs. Other states use these kinds of voluntary revenue streams to pay for their spay and neuter programs and do not use a pet food surcharge.

This bill does nothing to address the tax burden placed on pet food companies and pet owners in this state. If the Legislature believes that this is a state-wide priority and more money is needed for the Fund, then the burden should be taken off the backs of these businesses and constituents and funded as a priority by the state.

For this reason, I return LD 1601 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor