**SPONSOR STATEMENT**

**SB 312 – Vessel Passenger Tax**

SB 312 proposes to reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill will also allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of $34.50 regardless of the amount of passenger fees charged by other communities.

In addition, SB 312 repeals the regional cruise ship impact fund. As a result, all revenues collected from the CPV tax would be deposited in the CPV tax account in the general fund. SB 312 will not affect community revenue sharing.

Finally, SB 312 will require the Department of Commerce, Community and Economic Development to create a report every three years that addresses the projected needs of the communities that host cruise ship passengers and the extent to which the tax proceeds have been utilized for projects in areas that are directly impacted by cruise passengers.