

Testimony Opposing Passage of LD 178i, to give tax breaks to Bath Iron Works

**Presented by Cushman Anthony
January 30, 2018**

Senator Dow, Representative Tipping, and members of the Taxation Committee: My name is Cushman Anthony, and I live in Yarmouth. I am a retired lawyer and mediator as well as a former member of the House of Representatives.

I am speaking today in opposition to giving tax breaks to Bath Iron Works, and through that company to General Dynamics, for several reasons.

First, those corporations do not need any financial assistance from us. The annual income of General Dynamics in 2016 was roughly four times this state's total annual budget. The company has been so flush it has been buying back billions of dollars worth of their own stock, and they are able to pay exorbitant salaries to their top executives. General Dynamics acknowledges that Bath Iron Works is one of its most profitable divisions.

Second, Bath Iron Works is principally if not totally a military contractor these days, and the company gets very substantial federal tax dollars. This state should not be in the business of adding state tax dollars to supplement federal spending except in unusual circumstances, and this is not such a situation.

Third, past tax relief given to this company by our state has not brought added employment opportunities to Maine citizens. In fact, the total work force at BIW has declined during the period when they were receiving tax breaks from the State of Maine.

Fourth and probably most important, Maine needs those tax dollars for a variety of other purposes. The state is in the throes of an opioid epidemic and solutions for that will require significant expenditures by our government. Our infrastructure is inadequate to support the economic growth that we hope for in this state. We are not able to give our state's poor and vulnerable populations what they need for a decent chance at life. There are many worthy legislative proposals which will end up on the Appropriations table, and we must ensure there

are adequate funds available for the most pressing of those. Passage of this bill would diminish what we can spend on other more important things.

Knowledge derived from having served in the Legislature in the past tell me that tax breaks for BIW do not rise anywhere near the top of the list of priorities facing this state. My religious and ethical views supplemented by my community work in recent years inform me as well. Human needs should come before a measure such as this.

Please vote ought not to pass on this legislature. Thank you.