



SIERRA CLUB

MAINE CHAPTER

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To: Committee on Taxation

From: Marianne Hill, Ph.D., Sierra Club Maine

Date: April 11, 2023

Re: **Testimony in Support of LD 1337, An Act to Require a Corporation That Files a Tax Return in the State to File a Tax Disclosure Statement**

Senate Chair Nicole Grohoski, Representative Chair Joe Perry, and members of the Joint Committee on Taxation, I am testifying on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nation-wide as we work towards combating climate change and promoting a just and sustainable economy. To that end, we support LD 1337 and urge an "ought to pass" report on LD 1337.

The rising inequality that is threatening the stability of our country can be mitigated by taxation that is fair and equitable. Too often, though, corporations are able to avoid paying their fair share of taxes. Particularly when a corporation has operations and customers in several states and countries, state officials are hard-pressed to determine what share of a corporation's income is due to operations and customers in their state. And corporations have been known to allocate profits between states and countries at their discretion, in a way that is beneficial to them but at odds with the reality on the ground. This bill would provide officials and the public with basic information needed to determine whether corporations are paying taxes that are due to the State of Maine. It marks a step towards increasing transparency and tax fairness. It will make it more difficult for corporations to allocate their profits between states differently when reporting to different governmental entities. Some important provisions include:

The Bureau of Revenue Services shall "*make the tax disclosure statement available to the public on an ongoing basis in the form of a searchable database accessible through the Internet.*" The corporation shall disclose: "*Property, payroll and sales apportionment factors of the corporation and the overall apportionment factor...; Total business income and nonbusiness income of the corporation apportioned to the State; Net operating loss deduction, if any, of the corporation apportioned to the State.*"

We urge you to support LD 1337 and report "ought to pass". Thank you for your time and consideration.

Sincerely, Marianne Hill, Ph.D., Sierra Club Maine