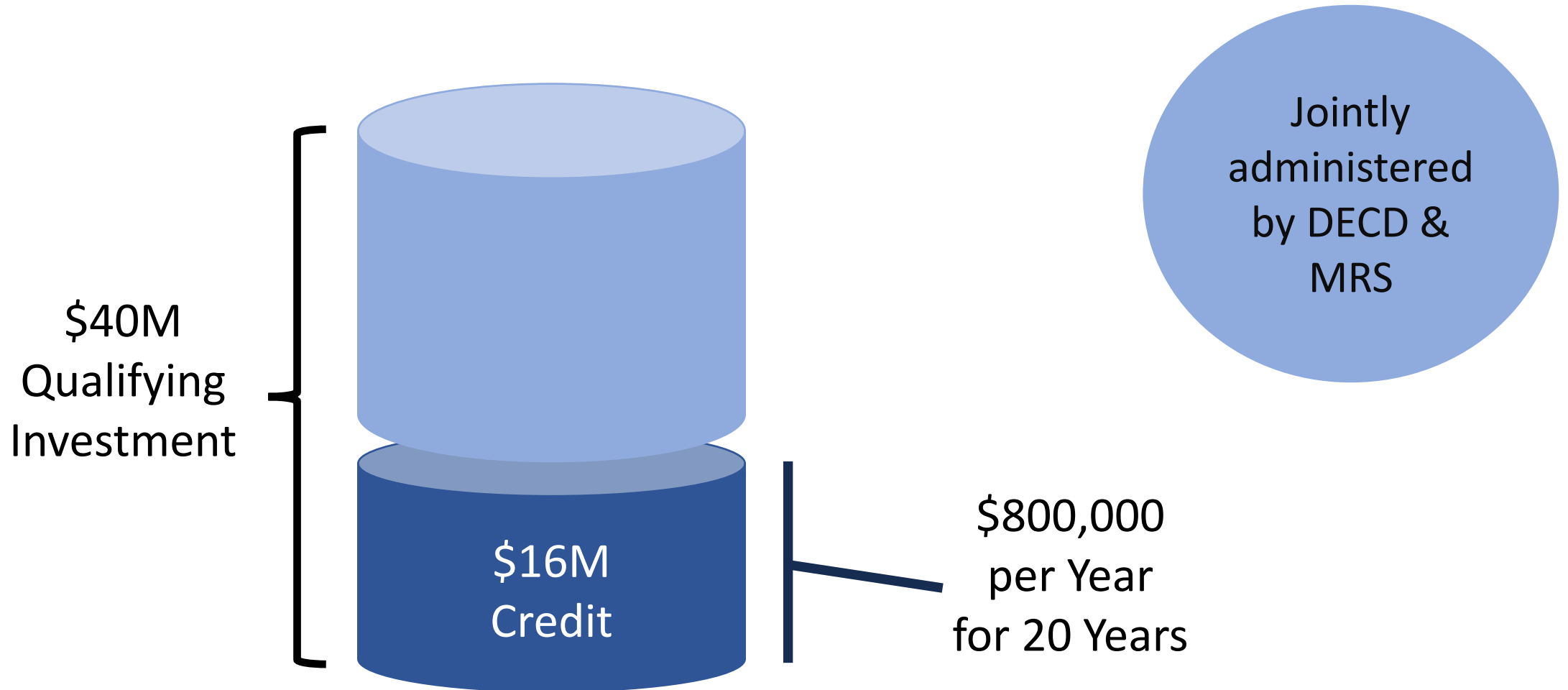


Evaluation of the Major Business Headquarters Expansions Credit

November 19, 2025

Report to the Government Oversight Committee by the
Office of Program Evaluation and Government Accountability

HQs Expansion Credit Provides Up to \$16M over 20 Years



Only One Business Has Used the HQ Expansion Credit

Headquarters **Definition**

“...the principal facility from which the applicant directs its national or global business activities, as determined by the commissioner at the time of application.”

Initial Approval Requirements

- ▶ HQs currently located in Maine, or will be
- ▶ Business locations in at least 3 other states or foreign countries
- ▶ At least 5,000 employees worldwide; at least 25% are, or will be, based in Maine

Qualifying Investment Requirements

- ▶ At least \$35M to design, permit, construct, modify, equip or expand HQs in Maine by the end of 2022

Annual Employment Growth Requirements

- ▶ Add at least 80 full-time employees, per year, for each of the first 10 tax years
- ▶ Maintain at least 800 additional full-time employees in Maine for tax years 11–20

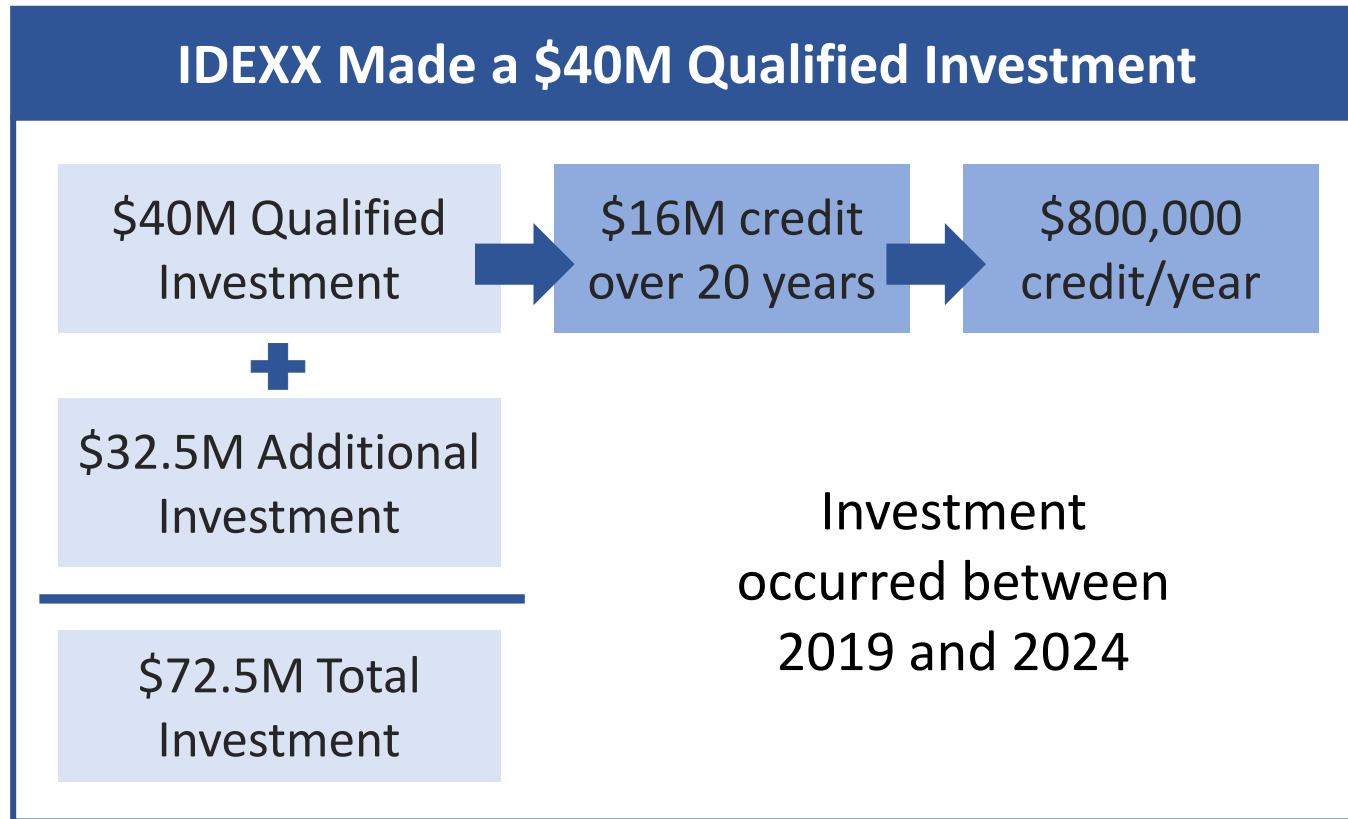
\$24M in HQ Expansion Credit Went Unused

Location Considerations for Large Business HQs

- ➡ Access to skilled workforce
- ➡ Location effects on the corporate brand or culture
- ➡ Availability of business services and same industry clusters
- ➡ Transportation infrastructure, including international airports
- ➡ Proximity to cutting edge research and higher education
- ➡ Amenities that appeal to current and potential employees
- ➡ Financial incentives or a beneficial tax environment

HQ-only
incentives are not
common among
other states

How Much Has Been Invested and Claimed To Date?



First claimed in
tax year 2021

Fully, or mostly,
refunded so far

Last claim
anticipated
2040

Did the Credit Impact Investment Decisions?



Possibly

‘But for’ is notoriously difficult to assess

Publicly visible conditions indicate the credit could have influenced the HQ investment

IDEXX has said that all available incentives, including this credit, were needed to make the HQ expansion feasible

A Package of Incentives Supported the HQ Expansion

IDEXX accessed other states and local incentives during the HQ expansion

Limitations of readily available public data make the total amount of benefits unclear

Pine Tree Development Zones (has multiple benefit types)

Employment Tax Increment Financing (ETIF)

Business Equipment Tax Exemption (BETE) & Reimbursement (BETR)

Municipal Tax Increment Financing Districts (TIFs)

Likely others as well

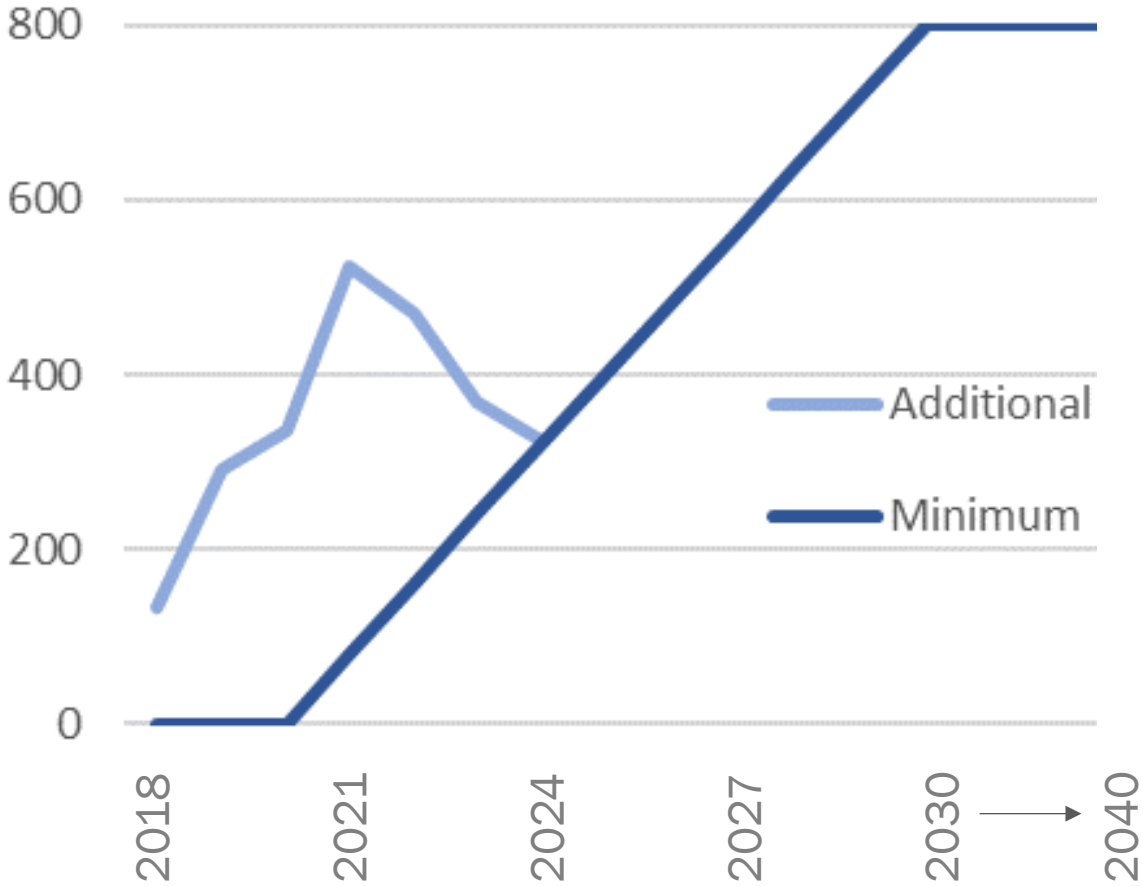
Economic Impacts of the HQ Investment

The HQ investment generated economic impacts, but how much the credit influenced these impacts is unclear

Credit's Assumed Influence	One-Time Impacts from the Qualifying Investment		
	Jobs	State Tax Revenue	State GDP
0%	0	\$0	\$0
25%	190	\$0.7M	\$12.6M
50%	381	\$1.5M	\$25.2M
75%	571	\$2.2M	\$37.7M
100%	761	\$2.9M	\$50.3M

Employment Growth Will Need to Continue

Year	Employees Added Since Prior Year	Cumulative Employees Added	Minimum Employment Requirements
2018	134	134	0
2019	156	290	0
2020	46	336	0
2021	189	525	80
2022	-54	471	160
2023	-103	368	240
2024	-43	325	320



Recommendations

Recommendations for Legislative Consideration

Recommendation 1

The Legislature may want to consider other approaches to incentives for single, or few, users

Recommendations for Legislative Consideration

Recommendation 2

The Legislature may want to consider data collection to increase transparency around use of multiple incentives

Acknowledgements and Next Steps

OPEGA would like to thank:

- DECD, MRS, and IDEXX
- Program stakeholders

Next steps

- Public comment
- Work session and vote
- Transmission to Taxation Committee