



April 30, 2026

Hon. Nicole Grohoski, Senate Chair  
Hon. Dan Sayre, House Chair  
Joint Standing Committee on Taxation  
Maine State Legislature  
100 State House Station  
Augusta, Maine 04333

Dear Senator Grohoski, Representative Sayre, and Distinguished Members of the Joint Standing Committee on Taxation:

Enclosed please find the annual report required by 10 M.R.S.A. § 1100-T(7) regarding activity of the Maine Seed Capital Tax Credit Program for Calendar Year 2025.

Please let me know if you have any questions or would like additional information. We would be happy to provide it.

Very truly yours,

A handwritten signature in blue ink that reads "Carlos R. Mello".

Carlos R. Mello  
Chief Executive Officer

Encl.

Cc: Christopher W. Nolan, Director, Office of Fiscal and Program Review  
Peter Schleck, Director, Office of Program Evaluation and Government Accountability

# FINANCE AUTHORITY OF MAINE

## Maine Seed Capital Tax Credit Program

### Annual Report—Calendar Year 2025 Activity

#### **Executive Summary:**

This report by the Finance Authority of Maine (FAME) of Calendar Year 2025 (CY2025) Maine Seed Capital Tax Credit Program activity continues the meaningful improvements in both the amount of information provided and the reliability of the data provided that began with FAME's CY2020 report. FAME has administered the program since its creation by the Maine Legislature in 1987. We have watched it change and grow over the years to enable the success of various Maine start-up companies. The program is designed to encourage equity and near-equity investments in eligible Maine businesses, directly and through private venture capital funds. FAME may authorize state income tax credits or refundable tax credits to investors for up to 40% of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital. The program reduces the risk of a Maine investment, encouraging investors to commit capital to Maine companies that might otherwise be invested outside the state.

As a result of both additional reporting requirements on participating companies added by the Legislature to the program in 2020 by PL 2019, ch. 616, Pt. LL, §11, and suggestions provided by the Office of Program Evaluation and Government Accountability (OPEGA) in connection with its program review and report dated August 2021, FAME substantially revised and expanded the annual report form sent to participating companies commencing with the 2020 reporting year. Improvements are made each year to the report's format and language, to make minor clarifications, but we have requested the same substantive data since CY2020. A copy of the CY2025 form is attached as Addendum A. The post-CY2020 forms added several new data requests, added detailed definitions of terms like "employees," and broke down some general informational requests into separate, more detailed requests, when compared to historical reporting forms.

Historically, responses by program participants to FAME's annual report requests had been unsatisfactory. Since 2020, however, in order to obtain better reporting compliance from participating companies, FAME engaged in substantially greater efforts to contact companies that did not respond to initial requests for reports, reaching out (sometimes several times) by phone and email to ensure the report was submitted.<sup>1</sup> Similarly enhanced efforts were undertaken to contact companies that filed initial reports which were, upon

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<sup>1</sup> The Authority also amended its Program Rule in 2020 to add additional reporting fields and impose penalties for companies not filing the annual report (on top of future credit disqualification) in order to help improve response rates.

subsequent review, determined to have been answered incompletely or erroneously, to verify or clarify data provided. These enhanced efforts resulted in completed reports filed by 82% of participating companies in CY2020, 79% for CY2021, 74% for CY2022, 89% for CY2023, 99% for CY 2024, **and 97% for CY 2025**, a markedly better response rate than in prior years. The data provided below is derived from the Authority's records of program activity, as well as from the reports collected from participating companies.<sup>2</sup> Although reports are required of all companies that have been approved to participate, the data provided below specifically excludes any information provided by companies that still have not received the benefit of any program credits to avoid any potential skewing of the data by companies who have not yet used credits to incentivize investments.

In general, FAME found the information provided by participating companies to be consistent with program expectations and supportive of the premise that the program is a vital tool to driving investment in Maine companies that generate significant economic activity in the state. Specifically, **in CY2025, approximately \$4.2 million of credits incentivized approximately \$10.6 million in related investments and leveraged over \$18.3 million in additional private and public investments in 30 Maine companies (a list of which is attached as Addendum B). When including all 72 reporting companies that have obtained program investments in the last 4 years, the total additional private and public investment in CY2025 totals over \$39.8 million. These companies in turn generated revenues of over \$97.3 million from Maine operations<sup>3</sup> (75% of total company revenues) and spent over \$76.6 million in Maine, including over \$45.2 million on payroll to support the employment of 552 Maine workers.<sup>4</sup> 62% of these workers were reported as dependent on the companies receiving the benefit of program credits across the state.**

FAME is required by the program statute to report its determination of whether the investments that received credits over the year would have been made "but for"/in the absence of the credit. **It is FAME's belief that the credits were a significant factor in each investment and that a majority of the investments that received credits in CY2025 would not have been made on the same terms without the credit;** however, this belief is based solely on anecdotal information from participating companies and investors. As we have previously stated in legislative hearings, FAME does not believe it is possible to determine with absolute certainty whether any of the investments that were the subject of program credits would have been made but for/without the credit. Investors certify as part of their FAME application that their decision to invest was made in part based on the potential of receiving the benefit of a program. However, investment decisions are multi-faceted, including subjective assessments of risk, other investment alternatives, other economic

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<sup>2</sup> Data provided by participating companies is self-certified as accurate but not independently verified by FAME.

<sup>3</sup> All revenues of companies with only one business location, which is in Maine, are included in this number even if the company has remote employees who are residents of other states.

<sup>4</sup> Since approximately 3% of participating companies did not file a report, and their impact is thus not reflected in these totals, it is likely that the public benefits from the participating companies are slightly understated.

development incentives, and whether incentives like the program credits adequately compensate for the risks involved.

**Calendar Year 2025 Detailed Compilation of Reported Data:**

1. Number of program-participating companies required to report for calendar year 2025 ("Covered Companies")\*: 72
2. Number of Covered Companies that filed 2025 annual report ("Reporting Companies")\*: 70 (97%)
3. Number of Covered Companies receiving program-qualified investments during the year: 30
4. Number of investments in Covered Companies during the year: 85
5. Total amount of program-qualified investments received by Covered Companies during the year: \$10,574,843.61
6. Total program credits issued to investors due to investments in Covered Companies during the year: \$4,229,937.44
7. Total other private investments (non-credit) received by Reporting Companies: \$31,778,961.18 (\$11,820,973.45 in those that received program investments in 2025)
8. Total public (state and federal) investments/grants received by Reporting Companies: \$8,052,401.97 (\$6,539,101.97 in those that received program investments in 2025)
9. Total Number of persons employed by Reporting Companies on 12/31/2025\*\*:
  - a. Employees: Maine: 488.3; Other: 277.6
  - b. Independent Contractors: Maine: 63.4; Other: 73.9
  - c. Total Maine Workers (Employees and Independent Contractors): 551.7
  - d. Location of Maine Workers (by county)\*\*:
    1. Cumberland: 282.2
    2. Lincoln: 21.6
    3. Franklin: 3
    4. Kennebec: 4
    5. Androscoggin: 85.5
    6. York: 54
    7. Penobscot: 46
    8. Hancock: 3
    9. Knox: 2
    10. Somerset: 6
    11. Waldo: 3.7
    12. Aroostook: 22
    13. Sagadahoc: 10
    14. Oxford: 5.7
    15. Piscataquis: 3

10. Total number of Maine Workers reported by Reporting Companies in 2025 that would not be employed without the business having ever received investments for which program credits were awarded ("Credit Dependent Maine Workers"): 342.5 (62%)
11. Total Maine Worker payroll of Reporting Companies: \$45,239,134.89
12. Total Credit-Dependent Maine Worker payroll of Reporting Companies: \$24,082,932.68
13. Total Sales Revenue from Maine-based operations of Reporting Companies: \$97,375,519.85
14. Total Sales Revenue from operations in other states by Reporting Companies: \$32,618,367.96
15. Total Sales Revenue from all operations by Reporting Companies: \$129,993,887.81
16. Total in-state spending by Reporting Companies: \$76,617,188.98

\*Covered Companies DOES NOT include companies that have been approved to participate in the program but that have not received the benefit of any Program Credits.

\*\*Not all responders disclosed worker location (unspecified were attributed to company business location).

Addendum A:

Maine Seed Capital Tax Credit Program

Annual Report for Calander Year 2025

(Due March 13, 2026)

<u>Business Name:</u>		<u>Address:</u>
<u>Contact Name:</u>		<u>Email:</u>
		<u>Phone:</u>
1.	Is the business still in operation as of 12/31/25? If not, what date did the business cease operations and what was the likely cause of that event?	
2A	What is the total amount of <b>private</b> (non-governmental) investment received <u>in calendar year 2025</u> from investors who have applied or are expected to apply for a Maine Seed Capital Tax Credit?	<u>Total Seed Capital Tax Program Investments 2025 (\$)</u>
2B	To the best of your knowledge, how much (\$ amount) of the investments qualifying for Seed Capital Tax Credits in 2025 (answer to 2A) would <b>NOT</b> have been made <b>if the tax credit had not been available?</b> (The answer to 2B cannot be greater than your answer to 2A)	<u>Total Tax Credit Dependent Investments 2025(\$)</u>
2C	What <b>other</b> (non-Seed Capital participating) investments or grants did the company receive in calendar year 2025 from <b>private</b> (non-governmental) sources?	<u>Total other private investments 2025 (\$)</u>
2D	What <b>other</b> loans, investments or grants did the company receive in calendar year 2025 from <b>public</b> (federal or state government) sources? (eg., MTI, MVF, DECD, SBA, USDA)—(add space if needed)	<u>Name of Source      Type of funds      Amount (\$)</u>



5A	<p>What was the company’s total annual payroll for <u>all</u> Maine employees (<u>those employees listed in answer to 3B only</u>) for the calendar year ending 12/31/2025?</p>	Total 2025 payroll for all <u>Maine</u> Employees: \$
5B	<p>What was the company’s annual payroll for those Maine employees that <u>would not</u> have been hired or retained in absence of investments that qualified for the Maine Seed Capital Tax Credit (<u>those employees listed in answer to 3C only</u>), either in 2025 or prior years? <b>(If you enter an amount here, please make sure you have an employee number entered in 3C)</b></p>	Total 2025 payroll for Maine Employees <u>dependent on Tax Credit Program Investments</u> : \$
6A	<p>What was the company’s total annual expenses for all Maine contractors (<u>those contractors listed in answer to 4B only</u>) for the calendar year ending 12/31/2025?</p>	Total 2025 Expenses paid for <u>Maine</u> Contractors: \$
6B	<p>What was the company’s annual expenses for those Maine contractors that <u>would not</u> have been hired or retained in absence of investments that qualified for the Maine Seed Capital Tax Credit (<u>those contractors listed in answer to 4C only</u>), either in 2025 or prior years? <b>(If you enter an amount here, please make sure you have a contractor number entered in 4C)</b></p>	Total 2025 Expenses paid for Maine Contractors <u>dependent on Tax Credit Program Investments</u> : \$
7	<p>What was the business’ total gross revenue <u>from company operations in Maine</u> in the calendar year ending 12/31/25? <b>(Companies that <u>only</u> have business operations in Maine should list <u>total</u> gross revenue of the company, regardless of location of customers or remote employees)</b></p>	Gross Revenue -operations in Maine \$
8	<p>What was the business’ total gross revenue from company operations in locations outside of Maine (if any) in the calendar year ending 12/31/25? <b>(Answer “N/A” if the company only has business operations in Maine). Only companies with multiple locations, some of which are not in Maine, should report revenue generated from those out of state locations in this box)</b></p>	Gross Revenue—out of state operations \$

9	What is the total estimated spending by the company in <u>Maine</u> in calendar year 2025. (This question is focused on funds the Company injects into the Maine economy, including, without limitation, payroll for Maine employees and Contractors, Maine state or local taxes, and raw materials, supplies, and other goods and services purchased from vendors located Maine.)	\$
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**Certification:** the undersigned hereby certifies that the information provided is true, accurate and complete.

BY: \_\_\_\_\_  
 Name:  
 Title:  
 Email:  
 Date:

For questions, please contact Elizabeth Polk by telephone at (207) 620-3561 or by email at [epolk@famemaine.com](mailto:epolk@famemaine.com).

Submit form via email at [epolk@famemaine.com](mailto:epolk@famemaine.com), or via fax at (207) 213-2641.

Addendum B

**Covered Seed Companies with 2025 Investments:**

**Add Salt AI Corp**  
**Alivo**  
**ALM Ortho**  
**bluShift**  
**Chimani**  
**Defendify**  
**Democracy Brewing**  
**Dynamic Grid (Introspective Systems)**  
**Election Bridge**  
**Even Keel**  
**FPN LLC**  
**Garbage to Garden**  
**GLOBEco**  
**Kinotek**  
**Maine Plywood USA**  
**Maine Shellfish Technologies**  
**Nest Veterinary**  
**Novia Products**  
**Nurture Talk**  
**Omnich Data**  
**Orange Bike Brewing**  
**Peregrine (Energy Technology)**  
**Reconnect**  
**RockStep Solutions**  
**Salmonics**  
**SBD Technologies**  
**Tanbark**  
**Tidal Diagnostic Solutions**  
**Tootie's Tempeh**  
**Zero Energy Homes**