

Senator Jackson, Representative Ross, members of the Committee on Appropriations and Financial Affairs:

My name is Frederick Samp, a resident of Saco, Maine, and I would like to testify neither for nor against LD3. Rather, I would like to address the eligibility criteria for the proposed Winter Energy Relief Payment Program in Section B-3.

Both this Program and the recent pandemic relief program enacted by the 130th Legislature appear to be intended to provide relief to low- and middle-income Mainers and to limit program costs by excluding wealthy Mainers. Presumably for the sake of administrative simplicity and speed the earlier Legislature chose to base eligibility on a single criterion – the amount reported on 2021 Maine tax returns as federal adjusted gross income (AGI). I trust that Legislators at the time recognized that AGI for a single year was at best a crude measure of Mainers' wealth and that the program would necessarily exclude some Maine residents who were far needier than other taxpayers who were included. The use of a single tax year may well not be representative of a taxpayer's wealth – a single capital transaction can drastically affect AGI – and an isolated snapshot of income does not necessarily give a true picture of a taxpayer's financial situation. The roughness of the measures was also exacerbated by the fact that eligibility was all or nothing – a taxpayer with AGI just \$1 above the cutoff qualified for no relief while one with AGI \$1 below the cutoff qualified for the full amount.

Recognizing that the earlier program necessarily resulted in unfairness in individual cases, adoption of exactly the same eligibility criteria, as is being proposed for this program, simply compounds the problem. It would be relatively simple to vary or modify the eligibility criteria for this Winter Energy Relief Program to avoid compounding any unfairness, for example, by adding AGI in tax year 2020 or 2022 to the available measures or by using a different measure altogether.