



March 28, 2023

The Honorable Nicole Grohoski, Senate Chair  
The Honorable Joseph C. Perry, House Chair  
Joint Standing Committee on Taxation  
State House, Room 127  
Augusta, ME 04333

Senator Grohoski, Representative Perry, Honorable members of the Joint Committee on Taxation:

My name is Sebastian Belle and I am the Executive Director of the Maine Aquaculture Association (MAA). The MAA is the oldest state aquaculture association in the country. We represent Maine's aquatic farmers that raise finfish, shellfish and sea vegetables. Our farmers annually produce over 100 million dollars in farm gate revenue and directly employ roughly 700 Maine citizens year-round. We purchase goods and services from over 400 Maine businesses and our total economic impact is roughly 150 million dollars annually. I wish to testify in **strong support** for LD 643 **"An Act to Promote Research and Development in the State by Increasing the Research Expense Tax Credit"**

Aquaculture, the growing of animals and plants in water, has been occurring in Maine for over 100 years. In the 1880's state and federal fish hatcheries raised juvenile trout, salmon and cod to restore wild populations that had been over fished. In the 1970's commercial aquaculture began to grow oysters, mussels, and salmon for human food. More recently the aquaculture sector has diversified and we now grow 24 different species using 15 different production methods. Oysters, mussels and salmon are still the bulk of our production but Maine has one of the most diverse aquaculture sectors of any state.

As we develop new farming methods and begin to domesticate new species, research is critical to the development of an ecologically sustainable and economically viable aquaculture sector. Our farmers are constantly experimenting to develop new production techniques that reduce their environmental footprint and increase their efficiency. That research is expensive and requires investment in specialized facilities and equipment unique to farming in water. For small, new companies that type of capital investment is challenging.

LD 643 increases the research expense tax credit by increasing the amount of expenditures eligible for the credit, doubling the rate by which the credit is calculated, doubling the maximum amount of the credit that may be claimed and halving the base amount used to determine the credit. While the total amount of the potential credit is relatively small it, will make a big difference to the economic success of our start up entrepreneurs. These new companies form the basis for the future growth of our sector. I ask that you vote "Ought to Pass" on LD 643.

Sincerely,

Sebastian Belle  
Executive Director