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**Testimony in Opposition to LD 1337  
("An Act to Require a Corporation That Files a Tax Return in the State to File a Tax Disclosure Statement")**

**J. Andrew Cashman on behalf of the Maine Association of REALTORS®**

**April 20, 2023**

Senator Grohoski, Representative Perry and members of the Joint Standing Committee on Taxation, my name is Andy Cashman. I am the Founder of Resolve Government Relations, and we represent the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® grow Maine's economy and build Maine communities. Our members represent buyers and sellers involved in both residential and commercial real estate transactions. Our membership also includes industry affiliates, such as lenders, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR), the largest trade association in the country.

The Maine Association of REALTORS® strongly opposes LD 1337.

The bill requires corporate taxpayers to file a tax disclosure statement that would be publicly available and accessible through an online database. This unfairly targets all corporate taxpayers including those operating pass-through s-corp entities, which many professionals use.

Our members are small business operators in Maine that would be subject to the mandates put forth in this bill. The bill singles out corporate filers and would regulate business practices in an unfair way.

If this bill were to pass, the process of filing a tax disclosure statement would require significant additional resources for Maine Revenue Services and Maine business owners to comply. Those resources would create an administrative and financial burden on both the state and Maine taxpayers.

Especially troubling, the bill would make sensitive taxpayer information public record, expose information to competitors, and put Maine businesses at a disadvantage in Maine, nationally and internationally. This policy would incentivize people to move their operations outside of Maine to avoid having to expose their sensitive business data to competitors.



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Proponents for the bill liken this disclosure to that required of nonprofits. They feel the disclosure should be required of for-profit filers as well. The fundamental difference is that the tax treatment is still inherently unequal because a nonprofit filer does not pay taxes while a for profit filer does – and that would continue to be the case if this were to pass. The justification for a nonprofit to file this disclosure is a transparency policy in return for the benefit of not having to pay taxes. Because a for-profit corporation does not receive the benefit of not paying taxes, it is unreasonable for the corporation to have the same burden of disclosure.

Maine already has some of the highest taxes in the country. We should be incentivizing business development and economic growth, not creating unfair tax policies that hurt Maine’s existing businesses and deter growth for the future.

For these reasons, we urge you to vote Ought Not to Pass on LD 1337. Thank you for your time and consideration.