



Lewiston Auburn
METROPOLITAN
CHAMBER of COMMERCE

May 4, 2023

RE: LD 1544 - An Act to Improve Economic Security for Maine Children by Establishing the Maine Dependent Tax Credit
TO: Committee on Taxation

Senator Daughtry, Representative Terry, and Honorable Members of the Committee on Taxation,

I'm writing in support of LD 1544, An Act to improve Economic Security for Maine Children by Establishing the Maine Dependent Tax Credit. As President and CEO of the Lewiston Auburn Metropolitan Chamber of Commerce, I work towards economic vitality and enhanced quality of life, and we challenge businesses and communities to build, lead, and thrive.

LD 1544 supports families in achieving economic security and opportunity and supports children across their lifespan as our future workforce, making it a priority for local chambers of commerce like the LA Metro Chamber.

Last year, that expanded federal CTC (Child Tax Credit) helped cut Maine's child poverty rate nearly in half, and in combination with other relief efforts, drove the child poverty rate to a record low of 5.2%. Investing in families with low income through policies like the CTC has been proven [to help kids](#) their whole lives, supporting higher educational attainment, better health, and higher earnings as adults. Economists say every dollar spent on the credit had a [\\$10 return on investment](#) to society because of these long-run benefits. It is one of the best policy tools we have in our toolbox and gets us the biggest bang for our buck as a state investment that sets families and children up for success in the long term.

This committee can support families' potential by passing [LD 1544](#), a bill that will boost our state's Child Tax Credit equivalent. It would fix a flaw in the credit's design, which leaves out families with low income who need it most and increase the credit to \$350. This bill would target effective relief to families who need it most, helping them meet rising costs and participate in the workforce and their communities.

The changes in LD 1544 alone will reduce child poverty in our state by 12.3 percent, moving 3,500 Maine kids out of poverty. This would help make a dent in Androscoggin's too high child poverty rate, which in 2021 was [19.1%](#) (the highest it's been since 2016), compared to Maine's statewide average in 2021 of 13.8%. It would also help many kinds of caregivers, like grandparents caring for grandchildren and family members caring for older dependents – who participate in our unpaid workforce.



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Policies like the Child Tax Credit have garnered bipartisan support and for good reason. The CTC allows people to afford things like child care so they can work, take care of their families, and do their part to keep growing our economy. We know from research on the federal CTC that a boost in income [increases work participation](#) and [boosts local economies](#).

Small business owners, like childcare and early learning providers in Lewiston Auburn and across the state, saw the impact of the federal CTC first-hand. Data shows that among Maine households with children under age 5, 28.9 percent [indicated](#) they had spent some of the CTC on child care. It helped them avoid difficult choices between child care and paid work. Not to mention, early childhood educators themselves felt the impact of having a little more breathing room in their family budgets. A state-level CTC would build on these benefits for families and providers alike.

LD 1544 would take a step towards reducing child poverty in Androscoggin County and Maine, boost the local and state economy, and set families and kids in Lewiston Auburn up to thrive in the short and long term. It's a smart investment with significant rewards for our state's families and economy. I urge you to support LD 1544.

Sincerely,

Shanna Cox

President and CEO, Lewiston-Auburn Chamber of Commerce