



Testimony of Claire Berkowitz to the Taxation Committee regarding
LD 1544: An Act to Improve Economic Security for Maine Children by
Establishing the Maine Dependent Tax Credit

Senator Grohoski, Representative Perry, and honorable members of the Taxation Committee: my name is Claire Berkowitz - I live in Bath and I am submitting testimony regarding LD 1544.

I am the President/CEO of Midcoast Maine Community Action (MMCA), one of ten community action agencies in the state providing programs and services to communities along the midcoast, from Brunswick to Belfast. Our mission is to empower people to build better lives for stronger communities. The agency connects the community with resources that promote health and quality of life, education, and economic independence. We do this through our Head Start, WIC, Whole Families, and other vital programs.

We know from the federal Child Tax Credit (CTC), which cut the child poverty rate nearly in half, that the CTC is one of the most powerful tools in our toolbox to reduce child poverty and strengthen Maine families. Maine can pick up where Congress left off by investing in low and middle-income families through the CTC.

This bill would improve our state's dependent exemption tax credit (our state's closest equivalent to the Child Tax Credit), which currently provides a \$300 annual tax credit per dependent. It would fix a flaw in the credit's design, which leaves out families with low income who need it most and increases the credit to \$350. This means more money in families' pockets to spend on the things they need most.

As an employer in Maine, my staff with children would benefit from this improvement in the state CTC. Along the midcoast and across the state, the cost of housing, food, and energy has increased dramatically. Many of my hard-working, mission-driven staff with children earn wages that are considered low income. An additional \$50 in the credit per child could be a cart of groceries, or a CMP bill. We need a vibrant workforce in the midcoast for the many industries that support the local economy –grocery stores, restaurants, hotels, and small shops and businesses. Many of these essential workers are barely making enough money to afford the rents in our area, especially those with children. These families need the additional income through this credit to ensure that their kids get what they need to thrive.

Thank you for your consideration of my testimony, and for your time and service.