



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON
COMMISSIONER

May 11, 2023

Senator Nicole Grohoski
Representative Joseph Perry
Committee on Taxation
100 State House Station
Augusta, ME 04333

Dear Senator Grohoski, Representative Perry, and esteemed members of the Committee,

I am writing regarding LD 1804, *An Act to Provide Transparency and Accountability for Corporate Tax Expenditures*. The bill calls for additional reporting to the Legislature on certain business incentive programs, including two that the Department manages: Pine Tree Development Zones and Employment Tax Increment Financing (ETIF). Specifically, it adds new information requirements to the Pine Tree Development Zone report and institutes a new annual reporting requirement for ETIF.

We thank the sponsor for the interest in incentive transparency, which is an interest the Department shares. The Department has been modernizing our data system in order to improve tracking and reporting capacity, which means it will not be difficult to compile annual reports for the Legislature using the information we collect in the course of administering these programs.

Additionally, some committee members may be aware that our department is working on a forthcoming bill sponsored by President Jackson to modernize the Pine Tree Development Zone and ETIF programs. We have built evaluation tools into the legislation for that proposal, Dirigo Business Incentives, to allow us to assess the impact of the program more easily if it becomes law.

Sincerely,

Phoenix McLaughlin
Tax Incentive Policy Manager