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Testimony in Opposition to LD 1866

(“An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels”)

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

May 17, 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 1866 because it would substantially increase Maine’s income tax. This bill would make Maine one of the highest income tax states in the country. Such a distinction will deter people and businesses from settling in Maine over the long term and would negatively impact Maine’s economic sustainability. Increasing taxes increases a household’s cost of living, and their ability to secure housing. These proposals would further contribute to Maine’s housing challenges and discourage needed workforce from choosing to call Maine home. Increasing the income tax, at the expense of economic growth is not sustainable for Maine.

These increased taxes would apply to thousands of Maine businesses that pass their income through the owner’s individual income tax form, including sub-chapter S corporations, Limited Liability Partnerships, and the other pass-through entities. Increased tax rates will make it more difficult for Maine to attract professionals including business leaders, doctors and dentists, other specialized health care providers, and entrepreneurs. Why would businesses and the labor force move to or remain in Maine if New Hampshire has no income tax and Massachusetts has a flat income tax rate that is half of Maine’s for the upper income bracket?

Furthermore, the timing of these bills is troubling: Maine residents and businesses are still hurting financially, and this is not the time to burden our citizens with higher taxes. The fragility of Maine’s economy – personal and business finances – is undeniable.

For these reasons, we urge you to vote Ought Not to Pass on LD 1866. Thank you for your time and consideration.



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