



**Testimony by Tony Paine  
Co-Founder & CEO**

**In Support of L.D. 125**

***An Act to Increase the Total Amount of Credits Authorized Under the  
Maine Seed Capital Tax Credit Program***

**February 5, 2025**

**Joint Standing Committee on Taxation**

Senator Grohoski, Representative Cloutier, and Distinguished Members of the Joint Standing Committee on Taxation:

My name is Tony Paine. I am a Co-Founder and CEO of HighByte, a software company in Portland, Maine. I live in Cape Elizabeth and am testifying in support of L.D. 125, *An Act to Increase the Total Amount of Credits Authorized Under the Maine Seed Capital Tax Credit Program*. I want to thank Senator Pierce for sponsoring the bill, which is important to Maine's early-stage businesses seeking to attract investors to support their growth and support.

This bill would increase from \$5 million to \$10 million the maximum annual amount of tax credit certificates the Finance Authority of Maine may issue to investors under the Maine Seed Capital Tax Credit Program for investments made in calendar years beginning with 2027. The program currently has a \$15 million per year maximum annual limit for tax credits, which is scheduled to be reduced to \$5 million beginning in 2027.

What the program does: The Maine Seed Capital Tax Credit Program is designed to encourage equity and near-equity investments in eligible Maine businesses, directly and through private venture capital funds. FAME may authorize state income tax credits or re-fundable tax credits to investors for 40 percent of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital

Since 2019, we have received \$3.768M in funding from investors participating in the MSCTC program. Based on this investment and salary information, we estimate that of the 24 employees living and working in



Maine as of December 31, 2024, 50% or 12 would not have been hired without the benefit of this program. While we are aging out of this program, I hope it will continue to thrive for future startups. And one day, when I'm an investor and not an operator, I hope it is still in full effect to take advantage of invest in Maine's future.

Why important to keep the annual credit cap higher than \$5 million: to enable the program to continue attracting private investment in Maine's early-growth companies. In 2023, FAME issued approx. \$6 million in credits. In 2024, FAME issued approx. \$7 million in credits. The interest in the program remains strong and it's a tool we have to encourage growth and create jobs in the state.

Thank you for your consideration of my comments and I hope you will vote to approve the bill.