



TO: The Honorable Nicole Grohoski
The Honorable Kristen Cloutier, Co-Chairs
Members of the Joint Standing Committee on Taxation

DATE: March 26, 2025

RE: LD 1047: An Act to Impose an Additional Tax on Certain Unearned Income

Good morning Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation,

My name is Al Cleveland. I'm a resident of Portland. I am here today as the Advocacy Director of Maine Citizens for Clean Elections. We are here to testify in support of LD 1047.

For 30 years, MCCE has advocated for Maine's Clean Election Act (MCEA) public funding system. We were there at the start to advocate for its enactment in 1996, during the early years when participation was ramping up, when budget challenges and court decisions threatened to weaken the program, and up to today when it is well-established and enjoys broad support among the candidates, voters, and the general public.

For all of those three decades, MCCE has been pushing back on big money in politics. No one in Maine has lamented the disastrous 2010 Supreme Court decision in *Citizens United v FEC* more strenuously or consistently than MCCE. The Appellate Court decision in *SpeechNow v FEC* followed soon after, and we've worked hard over all these years to find a way to rein in contributions to PACs, including independent expenditure PACs (aka Super PACs). Even now, we fervently long for reform, even as the U.S. Supreme Court has left precious few grounds for hope.

Today in our country, we have more concentrated wealth and income than at any time since the beginning of the last century. There is nothing more antithetical to the rights of citizens in a democratic republic than concentrated wealth and power.

Research at the federal level shows that legislators and policymakers are vastly more attentive to the interests of the affluent than they are to those of everyone else.¹ Affluent donors get what they want. The rest of us get what we want when, and only when, we want what they want.

¹ [Martin Gilens, "Inequality and Democratic Responsiveness,"](http://www.russellsage.org/research/inequality-and-democratic-responsiveness) Russell Sage Foundation, <http://www.russellsage.org/research/inequality-and-democratic-responsiveness> [March 17 2013]

When big-moneyed interests spend in political campaigns, they create a feedback loop in public policy that further advantages their own interests, deepening the chasm between themselves and ordinary people. To quote the seminal work of Professor Martin Gilens:

Over the past decades, economic inequality has grown as income and wealth have become increasingly concentrated among a smaller and smaller fraction of Americans. The disproportionate political influence of the affluent (who tend, naturally enough, to favor policies that enhance their interests) may further reinforce their economic advantages leading to even greater representational inequality.²

American democracy is failing to serve the needs of the vast majority of its citizens. And our people know it.³

Recent developments at the federal level have only heightened our gravest concerns. Since the current judicial landscape hamstringing progress on curtailing political spending, we now believe that, to break the feedback loop, we must endorse measures that reduce extreme wealth and income concentration in order to restore a functioning democracy.

LD 1047 is one such measure. By adding additional tax to capital gains, this bill would make Maine's tax code more fair, asking the very rich to shoulder more responsibility, and expand democratic protections for working people. This bill would raise over \$100 million in revenue, so MCCE wouldn't have to fight each year in fear of losing funding to the Maine Clean Elections Act Fund, a pillar of our democratic elections.

Thank you for the opportunity to testify. I would be happy to answer any questions from the Committee.

² [Martin Gilens](http://www.russellsage.org/research/inequality-and-democratic-responsiveness), "Inequality and Democratic Responsiveness," Russell Sage Foundation, <http://www.russellsage.org/research/inequality-and-democratic-responsiveness> [March 17 2013]

³ [Katherine J. Cramer](https://www.nytimes.com/2024/02/21/opinion/economy-research-greed-profit.html?unlocked_article_code=1.Z00.7COE.zDq03bGvwKYC&smid=url-share) and [Jonathan D. Cohen](https://www.nytimes.com/2024/02/21/opinion/economy-research-greed-profit.html?unlocked_article_code=1.Z00.7COE.zDq03bGvwKYC&smid=url-share), "Many Americans Believe the Economy Is Rigged," New York Times, February 21, 2024, https://www.nytimes.com/2024/02/21/opinion/economy-research-greed-profit.html?unlocked_article_code=1.Z00.7COE.zDq03bGvwKYC&smid=url-share [March 3, 2024]