

State of Maine | 132nd Legislature
Joint Standing Committee on Taxation
Testimony of Hannah A. Hudson on behalf of Maine Primary Care Association
April 8, 2025

Supporting:
LD 1294, “An Act to Expand the Dependent Exemption Tax Credit”
Sponsored by President Daughtry

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, I am Hannah Hudson, Director of Policy at Maine Primary Care Association (MPCA).

MPCA is a membership organization that represents Maine's Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs). Maine's CHCs make up the largest independent primary care network in the state, providing high quality and accessible primary and preventive medical, behavioral, and dental health services for over 200,000 people (1 in 6 Mainers) at more than 100 service delivery sites in all 16 Maine counties.

We support LD 1294 and thank President Daughtry and the cosponsors for bringing this bill forward. The federal Child Tax Credit was transformative for Maine families, and we encourage the Committee to build on the success of this policy. This bill would improve our state's Dependent Exemption Tax Credit (DETC) by doubling, and therefore, providing families with dependents under the age of 6 with an additional \$300. More importantly, this credit pays for itself by phasing out the benefits for higher-income families who do not need the additional support.

Every day, staff at Community Health Centers utilize a “whole person” approach to providing primary care services. This care-team model allows them to also understand and respond to patient needs outside of the exam room. CHC providers see first-hand the stress that inflation, rising energy costs, housing, and childcare can put on a family. Being able to live in safe neighborhoods, achieve economic stability, and have access to food and transportation can have wide-ranging effects on an individual's health.

Increasing Maine's child tax credit through the revenue neutral proposal in LD 1294 is a smart investment that will improve long-term economic stability, increase opportunities for kids, and help Maine's economy grow.

On behalf of Maine's Community Health Centers, thank you for considering our comments. Please do not hesitate to contact me directly at hudson@mepca.org with any follow up questions.

Hannah Hudson, MA
Director of Policy
Maine Primary Care Association