

Manufacturers Association of **Maine**

2025 Executive BOARD

Chair of the Board

Brad Hittle

American Rheinmetall

Vice Chair of the Board

Derek Fox

Elmet Technologies

Treasurer & Investment Chair

Samantha Pedersen

Albin, Randall & Bennett

Secretary & Business Svcs. Chair

Neal Prescott

Prescott Associates

Past-Chair

Judith Borelli

Texas Instruments

Executive Director

Mike Roughton

07 April 2025

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

My name is Mike Roughton and I am submitting testimony on behalf of the Manufacturers Association of Maine ("MAME"), in support of LD 1330, "An Act to Clarify That a Business's License or Subscription to Use Software Is Not Considered a Lease for the Purposes of Sales and Use Tax".

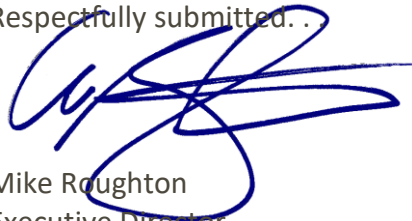
This bill provides a clear and necessary clarification in Maine's sales and use tax law by stating that a license or subscription to use software does not constitute a "lease" for tax purposes. In an era where software-as-a-service (SaaS) platforms and cloud-based tools are integral to modern manufacturing operations, this distinction is critical. Maine manufacturers increasingly rely on digital tools that are accessed via subscriptions, and the current ambiguity around the tax treatment of these transactions creates compliance burdens and unnecessary uncertainty.

LD 1330 promotes tax clarity and aligns Maine's policy with the technological and commercial realities of today's economy. Importantly, the bill reflects how businesses use software—not as leased tangible property, but as a licensed service delivered remotely. This clarification will help avoid unintended tax liabilities for Maine businesses and ensure that the state's tax code does not disadvantage local manufacturers investing in productivity-enhancing technology.

MAME supports LD 1330 as a common-sense fix that will provide consistency, predictability, and fairness in the application of Maine's sales and use tax law. We urge the Committee to vote Ought to Pass.

Thank you for your consideration.

Respectfully submitted. .



Mike Roughton
Executive Director

