



NORTH ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS  
United Brotherhood of Carpenters and Joiners of America

Northern New England Carpenters Locals 349 & 352

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### **Committee on Labor**

**Chair:** Sen Michael Tipping  
Sen Dick Bradstreet  
Sen Joseph Rafferty

**Chair:** Rep Amy Roeder  
Rep Marshall Archer

Rep Matthew Beck  
Rep Alicia Collins  
Rep Gary Drinkwater  
Rep Valli Geiger  
Rep Laurel Libby

Rep Rafeal Macias  
Rep Charles Scold  
Rep Mike Soboleski

**LD 1587:** An Act to Establish Greater Alignment of Penalties for Certain Labor Law Violations

Dear Senator Tipping, Representative Roeder and members of the Labor Committee,

My name is John Leavitt, I am the Regional Manager of Carpenters Union Locals 349 & 352 covering NNE.

I stand before you in support of LD 1587 with hopes the penalties in this bill will limit the temptation for contractors to promote tax fraud in the state.

We have been raising this issue here in the legislature for many years with not much progress. As I have mentioned over the years this is a criminal tax fraud issue, where the state loses millions of much needed tax dollars and the taxpayers absorb the growing debt.

I realize no one wants to pay taxes, but unfortunately if we want to live in a policed society with professional fire fighters ready to go when needed, public education, constant updating of infrastructure, etc. It is essential for all citizens to pay their fair share of taxes and not absorb the debt created by this practice.

We have worked through the below methods of addressing tax fraud through different administrations:

**2000:** Gov King suggests amnesty for all who came on board by a specific moratorium date.

**2005:** Harvard University which proved 18% misclassification of employees.

**2007:** ME DOL Study proved 49% misclassification of employees.

**2009:** Gov Baldacci Executive Order to establish Misclassification Task Force-where DOL, UI, and WC.  
. work together on enforcement.

**2011:** Gov LePage abolish Task Force

**2013:** Predetermination of Independent Contractor with WC Director Paul Sighinolfi

**2016:** ME DOL proves 60% misclassification

**2024:** LD 372 An Act to Increase Enforcement and Accountability for Wage and Hour Violations

Unfortunately, these efforts have fallen short as the risk ends up being worth the reward.

If a contractor can make more money paying a minimal fine than they would paying hourly taxes it makes good business sense. It also forces legitimate businesses to cheat as they continue to lose projects to unscrupulous companies with this cheating practice. They see it must be worth the minimal risk of getting caught which destroys our industry.

I believe this law will provide the necessary punishment to have contractors take a look at their risk and realize it is no longer worth the reward and others will follow suit

Thank you for your time and I urge you to support LD 1587,  
I am happy to answer any questions and attend any workshops on this matter.

Sincerely,  
John Leavitt

John Leavitt

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LD 1587

Please accept my testimony in support of LD 1587