



April 16, 2025

**Testimony to the 132nd Maine Legislature
Committee on Taxation**

Good afternoon, Senator Grohoski, Representative Cloutier, and honorable members of the Committee. My name is Josh Steirman and I am testifying on behalf of the Maine Bankers Association. We are the trade association representing 34 retail banks operating across the State of Maine, with over 9,000 employees in virtually every community state-wide. Last year our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Banks are deeply embedded in Maine communities: last year, bankers volunteered over 145,000 hours, and donated over \$18 million to charitable causes. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

Today we are testifying in Opposition to L.D. 1509, *An Act to Support Small Businesses by Providing a Refundable Tax Credit to Certain Businesses to Offset Credit and Debit Card Transaction Fees*.

Fees for credit and debit card use are a cost of doing business. The proposed tax credit to offset these fees is a subsidy to merchants, the cost of which will be carried by all other taxpayers. We fail to recognize a compelling policy reason why these business costs should be subsidized by state government.

Considering the state's constrained budget environment, we are concerned that this bill proposes novel new tax subsidies, and expect a significant fiscal note. We urge fiscal restraint. Card fees are a negotiated element of private business-to-business transactions and are a normal business expense. These ordinary and routine fees should not be subsidized by Maine's taxpayers.

In other committees of the Legislature this year, we have discussed how card fees are a reasonable fee for the services provided by processors. Card payments are safe, secure, and increasingly preferred by both customers and merchants – but that safety is built upon major investments in modern technology and cyber-security infrastructure. Card fees effectively pay for that security which many Americans take for granted. Although the broader debate around card fees is likely beyond the scope of this bill, these fees are simply a routine cost of business, and do not deserve or require government subsidy.

Thank you for your consideration. I regret a schedule conflict which prevented my attendance in-person at the public hearing, but am available to answer any questions you may have for the work session.

Respectfully Submitted,
Joshua Steirman
Director of Government Relations