



MAINE AFFORDABLE HOUSING COALITION

3i Housing of Maine
55 Weston Avenue
AARP Maine
ABG Consulting, Gray
Acorn Engineering, Inc.
Allied Cook Construction, Portland
Anew Development LLC, Portland
Apartments for People LLC, Belfast
Archetype Architects, Portland
Associated General Contractors of Maine
Auburn Housing Authority
Augusta Housing Authority
Avesta Housing, Portland
Bangor Area Homeless Shelter
Bangor Housing
Bangor Savings Bank
Bank of New Hampshire, Falmouth
Bath Housing
Bath Savings Institution
Bellwether Enterprise
Benchmark Construction, Westbrook
Boston Financial Investment Management
Bowman Constructors, Newport
Brunswick Housing Authority
Camden National Bank
Carpenter Associates
Catholic Charities of Maine
CEI, Brunswick
CHM Architecture, Portland
City of Portland Department of Housing
Clark Insurance, Portland
Community Concepts, Lewiston
Community Housing of Maine, Portland
Consigli Construction Co., Inc.
Cooperative Development Institute, South Freeport
Cooperative Fund of the Northeast
CREA, LLC
Credent Associates, Westbrook
Cross Financial Corp., Portland
Cumberland County
Curtis Thaxter, Portland
CWS Architects, Portland
Developers Collaborative, Portland
Development Services of New England, Freeport
Dovetail Consulting
DrummondWoodsum, Portland
Ducas Construction, Inc.
Dunbar & Brown Construction
Eagle Point Development, LLC
Eaton Peabody Consulting Group, Augusta
Eric Burmeister
Evernorth, Portland
Falmouth, Town of
Fort Fairfield Residential Development Corp.
Four Directions Development Corporation, Orono
Freeport Community Services
Freeport Housing Trust
Furniture Friends
Garnett Construction, Augusta
Gawron Turgeon Architects, Scarborough
Genesis Community Loan Fund, Brunswick
Hawthorn Savings Bank
Great Falls Construction, Gorham
Grommes Pulaski Consulting LLC, Portland
GrowSmart Maine
Habitat for Humanity of Greater Portland
Habitat for Humanity York County
Hancock Lumber, Casco
Healthy Androscooggin, Lewiston
Hebert Construction
Home Start, Peaks Island
Homeless Voices for Justice, Portland
Housing Foundation, Orono
Housing Initiatives of New England, Portland
Housing Partnership, Portsmouth, NH
Hunt Capital Partners LLC, El Paso, TX
Island Institute, Rockland
Islesboro Affordable Property
Jensen Baird Gardner & Henry, Portland
Johnston, Consultant, Portland
Kaplan Thompson Architects, Portland
Kennebec Savings Bank, Augusta
Kennebec Valley Community Action, Waterville
Kennebunk Savings
KeyBank
Knox County Homeless Coalition
Lake City Investments, LLC
Landry/French Construction, Scarborough
Lakeland Consulting, LLC, Augusta
Lassel Architects, South Berwick
LB Development Partners, Portland
LeadingAge Maine & New Hampshire
Lewiston Housing Authority
M&T Bank
Medias Savings Bank
Maine Bureau of Veterans' Services
Maine Community Action Partnership
Maine Community Bank
Maine Department of Health & Human Services
Maine Equal Justice
Maine Immigrants' Rights Coalition
Maine Public Health Association
Maine Real Estate Managers Association
Maine State Building & Construction Trades
Maine Workforce Housing LLC, Portland
Mano en Mano, Milbridge
Mans Development LLC, Yarmouth
Mascoma Bank
Midcoast Regional Housing Trust
NBT Bank
Nickerson & O'Day, Inc., Bangor
North Haven Sustainable Housing
Northeast Rental Housing
Norway Savings Bank
Old Town Housing Authority
Ots Alwell CPAs, South Portland
Penobscot General Constructors
Penguin, Bangor
People's United Bank
PM Construction
Portland Builders
Portland Housing Authority
Preble Street, Portland
Preservation Management, South Portland
Preti Floherty, Portland
Raise-Op Housing Cooperative, Lewiston
Realty Resources Management
Rental Housing Alliance of Southern Maine
Rick Whiting
Rumford, Town of
Sanford Housing Authority
Scott Simons Architects, Portland
Sea Coast Management Company, Topsham
Shalom House, Portland
Silver Street Development Corporation, Portland
South Portland Housing Authority
Sparhawk Group, Yarmouth
St. Germain
Sunrise Opportunities, Machias
S.W. Cole Engineering, Gray
Santanton Company
TD Bank
Tadford Housing, Brunswick
The Caleb Group, Saco
The Eagle Point Companies, South Portland
The Housing Foundation
The Park Danforth, Portland
Thornton Tomasetti, Portland
Through These Doors, Portland
Total Construction Management, Winterport
TPD Construction Co., Sanford
United Way of Greater Portland
Utile, Inc.
Veterans Inc., Lewiston
Volunteers of America of Northern NE
Washington County Assoc for Ret. Citizens
Westbrook Housing Authority
Western Maine Community Action, E. Wilton
Winton Scott Architects
Wishcamper Companies, Portland
WNC & Associates
Wright-Ryan Construction, Portland
Yarmouth Housing Collaborative
Year-Round Housing Corp., Long Island
York County Community Action, Sanford
York Housing Authority
Zachos Construction, Freeport
Zero Energy Design
Zorro Enormo Homes

Joint Standing Committee on Taxation

Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing

Coalition

4.16.25

in favor of LD1419 - **An Act to Provide a Sales Tax Exemption for Housing Constructed Off-site Similar to That for On-site Construction**

- *Senator Bennett*

Hello, Senator Grohoski, Representative Cloutier and members of the Joint Standing Committee on Taxation. I am Laura Mitchell, executive director of the Maine Affordable Housing Coalition. I am testifying in favor of LD1184 on behalf of the coalition, **a nonprofit with 140 member businesses and more than 500 individual members.**

Off site manufactured, modular and panelized housing is a Maine industry and process that needs to be effectively leveraged because it is the fastest method for building homes. Maine is 40,000 homes behind, after decades of underproduction. So speed matters.

Construction of housing can be done using a “site built” process where all of the individual parts of the home are put together on site. Or, an off-site process can be used where parts of the home (walls, roof framing, or full section of the home) can be built off-site and then put together in sections on site.

The on site process only pays one round of Maine taxes on the building materials for the home that are then delivered to the site.

The off site process pays two levels of Maine taxes. These taxes are ultimately passed on to the occupant of the housing – further increasing the cost of housing.

Off site construction pays a tax for the materials they use for their initial building (similar to what on site pays); and then the final purchaser of these completed modular pieces are taxed again. This second level of taxation encompasses the materials and labor that went into the preparation of the sections. That second level of taxation isn’t applied to on site construction, and is passed on to the occupant of the housing after mark ups from the contractor, developer, and real estate agent.

This bill provides a sales tax exemption for sales of new off site pieces for all costs, excluding materials, included in the sales price, but only to a maximum of 75% of the sales price.

We urge you to vote in favor of LD1419, as an easy way to improve housing affordability in Maine.