



Testimony in Opposition to LD 1475:

“Resolve, to Establish the Commission to Study the Taxation of Digital Assets”

Senator Grohoski, Representative Cloutier, and the distinguished members of the Committee on Taxation, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1475, “Resolve, to Establish the Commission to Study the Taxation of Digital Assets.”

While we understand the Legislature’s desire to keep pace with emerging markets, this proposal sends the wrong message at the wrong time. Rather than seeking new ways to regulate or tax the innovative digital asset economy, Maine should embrace this growing sector as a key component of the state’s future prosperity, especially as another source of economic growth during periods of market instability.

LD 1475 proposes the establishment of a new commission to study the taxation of digital assets, such as cryptocurrencies and non-fungible tokens (NFTs). While framed as a study, the report anticipates future regulatory or tax schemes that could burden this nascent industry before it fully develops in Maine.

Digital assets represent a dynamic and expanding sector of the global economy. According to research cited by industry experts, blockchain technology and cryptocurrencies are projected to add trillions of dollars in value worldwide over the coming decades. Forward-thinking states such as Wyoming¹ and Florida² have embraced digital asset innovation by creating regulatory environments that are welcoming, predictable, and light-touch. As a result, these states have attracted new businesses, jobs, and investment.

By contrast, launching a commission focused on taxation—even simply to “study” the topic—signals to entrepreneurs and investors that Maine is more interested in imposing new burdens than fostering opportunity. As we have seen across numerous policy arenas, government efforts to overregulate or preemptively tax emerging markets often drives innovation away rather than nurtures it.

Moreover, creating such a commission is premature. Federal regulatory frameworks for digital assets are still being actively developed. It would be unwise for Maine to move

¹ <https://integral.xyz/blog/wyoming-welcomes-crypto>

²

<https://www.gtlaw.com/en/insights/2022/5/florida-gov-signs-bill-defines-virtual-currency-eases-licensing-restrictions-virtual-currency>



ahead with a speculative study and eventual legislation before federal standards are fully clarified. Premature state action risks creating unnecessary complexity, legal uncertainty, and increasing compliance costs for Maine businesses.

Instead of paving the way for new taxes, Maine should work to ensure that its existing tax structure remains competitive and favorable for new technologies. We should be creating a policy environment that attracts investment, encourages innovation, and supports the entrepreneurs who are building the next generation of Maine's economy, not erecting new barriers.

For these reasons, Maine Policy Institute respectfully urges this committee to reject LD 1475. Thank you for your time and consideration.