

Testimony in Support of LD 1475, Resolve to Establish the Commission to Study the Taxation of Digital Assets

April 23, 2025

Sen. Grohoski, Rep. Cloutier, and members of the Taxation Committee, my name is Maura Pillsbury and I am a tax policy analyst at Maine Center for Economic Policy. We are testifying in support of LD 1475.

This resolve would create a commission to study the taxation of digital assets, including cryptocurrency and nonfungible tokens. The commission would be required to report its findings to the Legislature on potential approaches to taxing digital assets, including those adopted in other states, and recommend policy options for Maine to pursue.

The cryptocurrency market compromises a growing amount of wealth generation and financial transactions. Yet many states have done little to examine how these assets are treated under current tax systems, and how the sales of these assets and as well as the capital gains derived from them should be taxed.

Now is the time for the state to examine how our tax system treats these markets and to dedicate resources to more closely reviewing policy approaches to this issue. How the state chooses to tax digital assets has significant implications for the potential future growth in wealth and income inequality, as well as tax fairness.

We urge the Committee to support this resolve. We believe the work of this commission would positively contribute to policy conversations around taxation in our state.

Thank you for your time. I would be happy to answer any questions.
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