



**Testimony by William Norbert
Governmental Affairs and Communications Manager
in Opposition to L.D. 1664**

An Act to Repeal the Dirigo Business Incentives Program

April 24, 2025

Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere, and Distinguished Members of the Joint Standing Committee on Housing and Economic Development:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I offer this testimony in opposition to L.D. 1664, *An Act to Repeal the Dirigo Business Incentives Program*.

FAME's vision is a Maine where all people have access to improved economic outcomes through business growth and education attainment. FAME's mission is to enrich business and educational outcomes through relevant, timely financial support to Maine's people.

This bill would repeal the Dirigo Business Incentives Program, which provides a tax credit to businesses that make eligible capital investments or provide qualified training to employees in certain business sectors. Capital investment and workforce training are two important underpinnings of Maine's economy that we need to encourage.

This program is relatively new and should have a chance to work and demonstrate its impact before being repealed. The bill creating this program received unanimous support from the IDEA Committee (predecessor to the HED Committee) in the 131st Maine Legislature. Moreover, the tax credit is an important part of Maine's limited offerings of financial incentives to support business retention and expansion. As you know, FAME administers some of the other economic development tools Maine has to offer. These include the Maine New Markets Capital Investment Tax Credit and the Seed Capital Tax Credit programs, as well our commercial loan insurance, direct loan, and bond programs.

The Dirigo Business Incentives Program offers eligible businesses the opportunity to reduce their state taxes for up to five years when they make significant capital investments or provide qualified employee training in certain business sectors. Eligible

sectors include: agriculture, forestry and fishing; manufacturing; long-distance freight transportation; software publishing, data processing and computer design services; and engineering, architecture and scientific research and development services. The business must intend to place eligible business property into service or begin training as part of a qualified worker training program within two years of filing their application for certification. Benefits can include a 10% capital investment tax credit (5% capital investment tax credit in Cumberland, Sagadahoc, and York counties); and \$2,000 per employee may be provided to a qualified employee training program annually. The credit is capped at \$2 million per business per year and can be taken over five years. The credit is refundable up to \$500,000 per tax year.

We hope you will continue to support the Dirigo Business Incentives Program and reject this effort to repeal it.

Thank you for your consideration of my comments.