

## Testimony in Support of LD 1553:

"RESOLUTION, Proposing an Amendment to the Constitution of Maine to Require a Supermajority of the Legislature to Approve Raising Taxes"

Senator Baldacci, Representative Salisbury, and the distinguished members of the Committee on State and Local Government, 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 support of LD 1553, a resolution "Proposing an Amendment to the Constitution of Maine to Require a Supermajority of the Legislature to Approve Raising Taxes."

Maine families and businesses deserve stability and predictability in tax policy. By requiring a supermajority to enact new taxes or increase existing ones, this measure would impose a higher threshold for the government to take more from the pockets of hardworking Mainers. In doing so, it creates a meaningful check on government growth. It ensures that any decision to raise taxes is supported by a broad, bipartisan consensus—reflecting the will of the people, not just the shifting tides of political majorities.

Currently, raising taxes in Maine requires only a simple majority, leaving taxpayers vulnerable to sudden and potentially harmful shifts in fiscal policy. This dynamic encourages short-term budgeting and often leads to growing spending commitments that are financed through higher taxes rather than structural reforms. A supermajority requirement, by contrast, would instill fiscal discipline and incentivize legislators to consider sustainable alternatives, such as spending restraint, program efficiencies, and private-sector solutions.

Several times before, the legislature has considered but discarded a tax on streaming services, for example.<sup>1</sup> This has been discarded mainly due to public backlash. Still, without increased barriers to passing new taxes, unpopular taxes will continue to be proposed, with a significant risk of being passed.

Maine Policy Institute has long supported measures that protect taxpayers from runaway government growth. States that have adopted similar supermajority tax limitations, such as Colorado<sup>2</sup> and Florida<sup>3</sup>, have seen more stable tax climates and more substantial economic competitiveness as a result. In Colorado, for instance, the Taxpayer's Bill of Rights (TABOR) has helped constrain state government growth and

<sup>&</sup>lt;sup>1</sup> https://www.pressherald.com/2024/03/12/maine-may-tax-netflix-and-other-streaming-subscriptions/

<sup>&</sup>lt;sup>2</sup> https://www.ncsl.org/fiscal/how-to-raise-a-tax

<sup>&</sup>lt;sup>3</sup> https://thefga.org/research/floridas-super-example-protect-taxpayers/



spurred economic growth while returning billions to taxpayers. A total of 13 states require a supermajority for all tax increases, including intensely blue states like California, Delaware, and Oregon.<sup>4</sup> An additional three states require supermajorities for certain other taxes, such as those on income, property, or sales.

Critics may argue that a supermajority requirement would hamstring future legislatures or limit flexibility in emergencies. However, LD 1553 appropriately includes an exception: the people themselves retain the right to enact tax increases via the direct initiative process. This safeguard ensures that, even in the most pressing circumstances, tax changes remain possible—but only with strong consensus or direct democratic approval.

Ultimately, LD 1553 is a prudent, pro-taxpayer reform. It upholds the principle that the government must exercise humility and caution before demanding more from its citizens. At a time when Maine's working families and small businesses face rising costs and economic uncertainty, it is more important than ever to guard against the impulse to tax first and reform later.

For these reasons, Maine Policy Institute urges the Committee to vote "Ought to Pass" on LD 1553 and send this constitutional amendment to the people for a vote. Thank you for your time and consideration.

<sup>&</sup>lt;sup>4</sup> https://www.ncsl.org/fiscal/how-to-raise-a-tax