

Anne M. Gallaudet
Scarborough, Maine

April 28, 2025

Re: 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 Honorable Members of the Joint State and Local Government Committee

I appreciate this opportunity to address you on this important matter. My name is Anne Gallaudet. I am a resident of Scarborough, Maine. I am writing *in opposition* to LD 1553.

The ability to raise taxes is an important tool for legislators to have to address the needs of their constituents. A required supermajority vote would unfairly limit the ability of future lawmakers to address the problems Mainers will likely see. Passing this bill will clearly be a foreseen tragedy for all Mainers.

The Amendment, if passed, would substantially handicap future legislators' ability to address the funding of the state budget by excluding an important mechanism for raising revenue. Indeed, limiting the ability of the legislature to increase taxes is particularly harmful when a state faces sharply declining revenues as we are now. The federal government has taken immediate action unexpectedly to cancel or freeze federal funds to Maine and has given no indication if such funds will ever become available. On top of that, the Maine economy is hostage to an unexpected worldwide tariff war that will have a dire effect on our businesses and government. Lastly, the federal government is determined to massively shrink future federal aid to both the Maine government and its local businesses, nonprofits and inhabitants. All of this has created an era of economic uncertainty as well as pain and suffering in Maine.

LD 1553 aims to restrain the raising of ALL taxes and duties or prevent new taxes or duties without qualification. This is bad tax policy. The Maine legislature has consistently shown restraint in the imposition of taxes. Long-term data demonstrates that states do not need such supermajority rules to ensure taxes will be manageable. See <https://www.cbpp.org/research/six-reasons-why-supermajority-requirements-to-raise-taxes-are-a-bad-idea>

Another serious problem with this bill is its shortsightedness. On its face, it treats all taxes alike, subjecting all taxes to this proposed Constitutional amendment which to me suggests a knee-jerk action, rather than one grounded in sound analysis. It fails to distinguish among types of taxes and when each type of tax can be highly useful or needed due to unforeseen emergencies. If this referendum were allowed to go forward and passed, *many new exciting tax revenue sources*, which sports betting and the marijuana industry has been in the recent past, would be unduly hindered by this

reckless tax requirement. Moreover, other acute emergency situations, not already addressed above, that might require immediate legislative actions would be impeded by this bill. Examples of both types of circumstances where Maine might want to address using taxation policies include digital assets, heavy metal mining, renewable energy, transportation infrastructure, tourism, addressing epidemics and pandemics, acute weather emergencies, local responses to wars and insurgencies, and protecting key industries.

Additionally, the Center on Budget and Policy Priorities (CBPP) points out why supermajority requirements to raise taxes can cause other significant damages to a state's ability to manage its finances and best represent and help its residents. For instance, such requirements protect special interest tax breaks, including ineffective and unfair breaks by making them subject to the higher vote threshold. Similarly, when one has a supermajority requirement as here, it shifts costs from some state residents to others such as to Medicaid recipients, students (fees and tuition costs), local property owners (property taxes, higher assessment), etc. Nothing is free – costs just get shifted and often to the less powerful. CBPP also states that supermajority requirements particularly impact investments in transportation infrastructure given the integral ties to gasoline taxes. Further, by making it difficult to raise taxes, when a recession hits, the legislature lacks an important tool in its arsenal (as noted above) and instead is forced to make *spending cuts* which only exacerbates the economic crisis. Simply put, supermajority rules raise the power of special interests and extreme viewpoints to the detriment of more moderate views. See <https://www.cbpp.org/research/six-reasons-why-supermajority-requirements-to-raise-taxes-are-a-bad-idea>

Thank you for considering my comments. Please vote “ought not to pass” on LD 1553

Anne Gallaudet,
Scarborough, ME