



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



MICHAEL A. DUGUAY  
COMMISSIONER

May 9, 2025

Senator Nicole Grohoski  
Representative Kristen Cloutier  
Members of the Joint Committee on Taxation  
100 State House Station  
Augusta, Maine 04333

Dear Senator Grohoski, Representative Cloutier, and distinguished members of the Committee on Taxation,

I am writing to today on behalf of the Department of Economic and Community Development, regarding LD 1889, "An Act to Establish a Barn Preservation Incentive Tax Credit." I am offering testimony in opposition to this bill.

The Department of Economic and Community Development (DECD) appreciates the intent of this legislation—to encourage preservation of Maine's agricultural and architectural heritage. However, we have concerns about the scope and impact of the proposed tax credit in its current form, which is restricted to non-commercial, residentially located barns, has no limits and has a refundable extremely generous return.

DECD's mission is to support job growth, capital investment, and long-term economic vitality across Maine's communities. The department is more inclined to support policies that include clear economic return to the state, particularly programs that stimulate private investment, generate employment opportunities, or promote sustainable redevelopment of properties for income-producing or public use.

This proposal, while culturally valuable, lacks a demonstrated nexus to economic activity. It does not incentivize commercial reuse, rural business development, or agritourism ventures, all of which could offer broader public benefit beyond the individual property owner.



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Moreover, the refundable nature of the credit—up to \$400,000 annually and \$1.6 million over four years per project, raises fiscal concerns, especially considering its application to private, non-income-producing property. This stands in contrast to programs such as Maine’s Small Project Historic Tax Credit, which applies only to income-producing properties and requires conformance with federal rehabilitation standards. That program not only protects historic character but also ensures economic revitalization through the adaptive reuse of buildings that support small businesses and mixed-use development. Should the intent of this proposal evolve to include commercial barns or mixed-use agricultural structures, DECD would be more inclined to engage constructively. A revised policy could explore incentives tied to economic activity—such as creating event spaces, farm-to-table operations, or rural coworking environments, in line with the state’s broader economic development goals.

While barn preservation has value, DECD cannot support a refundable tax credit program for privately held, noncommercial barns that does not provide measurable public or economic benefit. We recommend that the committee reject this proposal or significantly revise it to align with the state’s strategic development objectives and models proven successful, such as the Maine Small Project Historic Rehabilitation Tax Credit.

Thank you for your consideration.

Sincerely,

Maureen Terry

Legislative Liaison  
Department of Economic and Community Development