



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

MAINE.
ECONOMIC & COMMUNITY
DEVELOPMENT

MICHAEL DUGUAY
COMMISSIONER

May 9, 2025

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

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

I am writing to provide testimony *neither for nor against* LD 1699, "An Act To Expand the Maine Seed Capital Tax Credit Program to Include Agricultural Enterprises."

This bill proposes changes that we feel are unnecessary and potentially duplicative.

The Seed Capital Tax Credit Program currently supports investments in eligible Maine businesses, including those categorized as *value-added natural resource enterprises*. Agriculture already falls within this category, and many agricultural ventures currently participate under the existing structure. The Finance Authority of Maine (FAME) has recognized this inclusion in practice, approving agricultural operations when they meet the program's established criteria.

Adding a new, separate reference to "agricultural enterprises" may unintentionally complicate or fragment the program's intent. It could create confusion regarding eligibility, lead to unnecessary administrative overhead, and set a precedent for piecemeal additions by sector—when the program is designed to be broadly applicable across industries that meet economic development goals.

Moreover, the new language appears to carve out distinct standards for agricultural enterprises that diverge from other businesses, including broader allowances for intrastate sales and exemption from investor ownership limits. This creates a disparity not necessarily justified by the stated goals of the program.

In conclusion, while supporting Maine's agricultural sector is vital, this bill addresses a problem that does not appear to exist. Agriculture is already included under current law, and the proposed amendments risk weakening the clarity and consistency of a program designed to encourage broad-based economic growth.



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Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Maureen Terry".

Maureen Terry

Legislative Liaison

Department of Economic and Community Development