

STATE OF MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT



MICHAEL DUGUAY COMMISSIONER

May 9, 2025

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

Re: LD 1755, An Act To Increase the Historic Properties Tax Credit for Certain Rural Projects

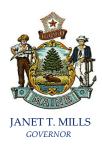
Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation,

Thank you for the opportunity to provide testimony on this legislation.

While I write to speak neither for or against this bill, I would like to highlight the important role that the Historic Rehabilitation Tax Credit has played in revitalizing communities across Maine. The credit has proven to be a vital tool in breathing new life into aging mills, factories, and other underutilized historic properties—particularly in smaller towns where such structures often dominate the built environment.

One strong example is the Skowhegan Knitting Mill project, which transformed a long-vacant industrial building in the heart of downtown Skowhegan into a vibrant hub of activity. This redevelopment preserved the mill's historic character while creating new apartments and mixed-use spaces that now support local businesses and community gatherings. Projects like this not only preserve heritage but also help meet pressing needs for housing and economic development in rural areas.

Across the state, this tax credit has enabled similar transformations, helping to generate jobs, expand the tax base, and retain residents—particularly in communities facing economic and population challenges. Increasing the credit for rural projects with a housing component, as proposed in this bill, aligns with a practical need for tools that support targeted redevelopment in underserved areas.



STATE OF MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT



MICHAEL DUGUAY COMMISSIONER

Maine has a strong track record of using limited resources to craft thoughtful and creative economic policy. We recognize the fiscal constraints the state is currently facing and appreciate the significant responsibility this committee bears in making difficult budgetary decisions. Regardless of the outcome, we hope this important policy discussion continues moving forward.

Respectfully submitted,

Michael a. Dugung

Michael Duguay Commissioner Department of Economic and Community Development