



Testimony in Support of LD 1876 – An Act to Increase Use of State Tax Credits

Before the Joint Standing Committee on Taxation on May 14, 2025

Provided by: Kara Hay, President and CEO, Penquis

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

Thank you for the opportunity to provide testimony in support of LD 1876, An Act to Increase Use of State Tax Credits. My name is Kara Hay, and I serve as President and CEO of Penquis.

Penquis is a nonprofit organization dedicated to helping Maine families and individuals access transportation, achieve school readiness, maintain housing stability, and live healthy lives. One of the ways we support that mission is through our participation in the CASH Maine Coalition, a statewide partnership that provides free, volunteer-based tax preparation, connects individuals to state and federal tax credits, and offers financial education that supports long-term stability. Penquis is the lead for Eastern Maine CASH. We are proud to be one of nearly 50 organizations working together to make financial empowerment more accessible across Maine.

LD 1876 offers a thoughtful and comprehensive approach to increasing access to Maine's existing tax credits. It establishes a statewide working group to identify barriers and recommend solutions, promotes accountability, and allocates funding to expand outreach and strengthen local service delivery through the CASH Maine network.

That investment will strengthen community-based efforts to help Mainers keep more of what they've earned. Each year, the CASH network supports thousands of people in claiming tax credits that make a meaningful difference, covering housing costs, transportation, child care, and other essentials. While many Mainers are still unaware of available state credits, trusted community-based partnerships are helping to close that gap.

At Penquis/Eastern Maine CASH, our tax volunteers served and filed over 329 tax returns for the 2023 tax filing season, bringing back more than \$153,502 in federal refunds, \$187,519 in state refunds, and \$77,385 in Property Tax Fairness Credits (PTFC), \$33,208 in Sales Tax Fairness Credits (STFC), and \$18,645 in Earned Income Tax Credits (EITC) to our region.

We have seen firsthand how claiming a tax credit is a meaningful step that eases financial pressure and supports progress toward longer-term stability for individuals and families in Maine. One client shared, "This refund helped me keep the lights on and get ahead on rent. I didn't even know I qualified."

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LD 1876 builds on what's working and invests in a coalition that delivers results. By ensuring consistent support across all communities and types of filers, we can maximize the impact of these valuable credits.

On behalf of Penquis and the communities we serve, I respectfully urge your support.

Thank you for your time and for your commitment to supporting the financial well-being of the people of Maine.