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**Testimony of Scott Mackey  
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**On LD 1752  
An Act to Exempt Broadband Equipment from the Sales and Use Tax**

**Joint Taxation Committee  
May 14, 2025**

Chairs Perry and Grohoski and committee members, thank you for the opportunity to testify today in favor of LD 1752 – and thank you to Representative Ducharme and Senator Bickford for sponsoring the bill. I work with the wireless industry to promote pro-investment and pro-consumer state tax policies. I appear today on behalf of the wireless providers with facilities in Maine: AT&T, T-Mobile, UScellular, and Verizon.

As you all know, bringing broadband service to unserved and underserved areas of Maine is an expensive proposition. LD 1752, if enacted, would provide a significant boost to these efforts to expand broadband throughout Maine. Currently, broadband providers must pay the 5.5% sales and use tax on machinery and equipment used in their networks. LD 1752 would exempt these network purchases from the sales and use tax and ensure that every dollar invested in network equipment would go directly into expanding and improving broadband networks.

With all the uncertainty about the status of federal broadband deployment funding, it is more important than ever to make sure that every dollar of private investment in Maine broadband networks is used to purchase equipment instead of paying sales and use taxes. LD 1752 would also ensure that whatever federal broadband grants Maine receives over the next 3-5 years will go 100% toward [the purchase of investment in](#) network equipment. This means that more Mainers will get broadband service quicker.

Maine competes with other states to attract private sector network investment [and is currently at a disadvantage to –New Hampshire as it does not impose a sales tax, and Connecticut, which has a sales tax exemption already in place for network equipment.](#) Currently, a dollar spent on network equipment in [those states](#) ~~New Hampshire~~ purchases a dollar's worth of equipment. In Maine, that same dollar only purchases 94.5 cents worth of

equipment. All else being equal, a project in Connecticut or New Hampshire will get funded before a project in Maine. Passing LD 1752 will eliminate this competitive disadvantage.

A November 2019 study by Raul Katz at Columbia University, based on 10 years of actual investment data, found that states that impose sales taxes on communications network investment have lower investment per capita than states that exempt communications network investment from sales taxes. The study also found that each one percentage point reduction in the sales and use tax on network equipment would result in a 1.97% increase in investment. The study is available at: [https://broadbandtax.org/downloads/Katz%20Study%20-%20Broadband\\_Tax\\_Institute\\_2019\\_Report\\_v.Final\\_9.pdf](https://broadbandtax.org/downloads/Katz%20Study%20-%20Broadband_Tax_Institute_2019_Report_v.Final_9.pdf)

Maine currently exempts manufacturing machinery and equipment from the sales tax to help Maine manufacturers compete nationally and globally. LD 1752 would help Maine attract more private sector broadband investment while ensuring that all federal dollars for broadband deployment are used for their intended purpose.

On behalf of the wireless providers, I respectfully request that the Committee pass LD 1752.