



May 14, 2025

The Honorable Kristen Cloutier
House Chair, Committee on Taxation
Room 333, State House
2 State House Station
Augusta, Maine 04333

The Honorable Nicole Grohoski
Senate Chair, Committee on Taxation
3 State House Station
Augusta, Maine 04333

Dear Chair Cloutier, Chair Grohoski and Members of the Committee on Taxation:

On behalf of CTIA®, the trade association for the wireless communications industry, I am writing to express support for LD 1752, which would exempt certain broadband infrastructure purchases from Maine's sales and use tax. This commonsense reform will support the deployment of high-speed broadband to unserved and underserved areas across the state and ensure that investments in connectivity are maximized.

LD 1752 would eliminate the sales and use tax on communications network equipment, ensuring that every available dollar can go directly toward broadband deployment. At present, the 5.5% sales tax in Maine effectively reduces the purchasing power of broadband grants and capital expenditures. For example, the same dollar spent on network equipment in neighboring New Hampshire stretches further than in Maine due to the tax differential, placing Maine at a disadvantage when competing for private sector investment.

Research supports the case for reform. A study conducted by Dr. Raul Katz of Columbia University, based on a decade of investment data, found that each percentage point reduction in the sales tax on network equipment is associated with a nearly 2% increase in communications infrastructure investment.¹

Importantly, Maine already exempts certain categories of business equipment, such as manufacturing machinery, from sales tax to foster competitiveness and encourage capital investment. LD 1752 would extend similar treatment to broadband infrastructure, helping Maine attract additional private sector broadband investment and eliminate a barrier to deployment in the communities that need it most. For these reasons, CTIA urges the Committee to support LD 1752 and advance policies that reduce the cost of broadband deployment, promote equitable connectivity, and make the most of this critical window for infrastructure investment. Thank you for your consideration.

Sincerely,

Annissa Reed

Annissa Reed

Director, State and Local Affairs

¹ https://broadbandtax.org/downloads/Katz%20Study%20-%20Broadband_Tax_Institute_2019_Report_v.Final_9.pdf