

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Energy, Utilities and Technology
Hearing Date: *May 13, 2025*

LD 1936 – “*An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program*”

Senator Lawrence, Representative Sachs, and members of the Energy, Utilities and Technology Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 1936, “*An Act to Provide Greater Equity in and Reduce Costs Related to the State's Net Energy Billing Program.*”

Because this bill affects the timing of approval of net energy billing agreements, it may affect certain taxpayers’ eligibility for the renewable energy property tax exemption provided under 36 M.R.S. §§ 655(U), (V) and 656 (L), (K), which is tied to net billing arrangements and interconnection agreements. It is unclear how the bill will overlap with or impact the exemption without further research. The Administration also has similar concerns with respect to the related sales tax exemption under 36 M.R.S. §1760(80). Given the limited time remaining in this Legislative Session, it may be prudent to review and evaluate a proposal of this nature in the next session of the Legislature.

The fiscal and administrative costs associated with this bill are unclear without further research.

In conclusion, the Administration is Neither For Nor Against LD 1936 and the Office of Tax Policy would plan to coordinate with the Governor's Energy Office if the Committee would like to move forward with the bill.

The Administration looks forward to working with the Committee on the bill.