



**Testimony of Shelley Megquier, Policy & Research Director, Maine Farmland Trust, to the 132<sup>nd</sup>  
Legislature's Joint Standing Committee on Taxation  
May 16, 2025**

Good morning Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Shelley Megquier and I am the Policy & Research Director at Maine Farmland Trust (MFT). I am providing testimony on behalf of MFT neither for nor against LD 1617 – *An Act to Lower the Exclusion Amount for the Estate Tax and Create an Exclusion for Family Farms and Aquaculture, Fishing and Wood Harvesting Businesses*.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Our goals are to keep agricultural lands working and help farmers and their communities thrive. Since our founding in 1999, MFT has helped to permanently protect farmland in every county in Maine, amounting to nearly 57,000 acres across 345 farms. Our Farm Network includes more than 550 farms that have participated in MFT's programming either through an agricultural easement or through one of our programs. Our main program areas are Farmland Protection, Farmland Access, Stewardship, Farm Business Planning, PFAS Support, Climate Resilience, and Policy and Research.

MFT believes that the viability of agriculture in Maine is critical to rural economic development, to farmers' ability to keep their land in agricultural production, and to ensuring a vibrant and resilient local food system. But, Maine agriculture is facing significant challenges that threaten the viability of farms and the land base on which they rely. The 2022 Census of Agriculture showed that between 2017 and 2022, more than 82,000 acres of farmland in Maine fell out of agricultural production and we lost over 560 farms.<sup>1</sup> Maine's farmers are also aging. Between 2017 and 2022, the number of producers age 65 and older in Maine increased by 18 percent, whereas the number of producers under age 44 increased by less than 2 percent. These data trends signal a need to support the transfer of farmers' land and operations to the next generation.<sup>2</sup>

Given this context, MFT appreciates LD 1617's establishment of an additional exclusion amount of up to \$3,800,000 when farmland and/or depreciable machinery and equipment is transferred to a family member after a death in the family. The family member being bequeathed land and/or farm machinery would then be less likely to need to pay estate tax as they are working to either establish or sustain a farm business than they would if they were included in the lowered \$1,000,000 exclusion amount proposed by this bill. The reduced likelihood of additional tax burden is helpful given how many farm businesses struggle to stay financially viable. The average cost of production per farm in Maine increased by 24 percent

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<sup>1</sup> United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), *Census of Agriculture for 2022, Maine*, "Historical Highlights: 2022 and 2017."

<sup>2</sup> USDA NASS, *Census of Agriculture for 2022, Maine*, "Selected Producer Characteristics: 2022 and 2017."

between 2017 and 2022, going from \$77,179 to \$96,012.<sup>3</sup> As such, any support towards reduced tax burden – including through Maine estate tax after a death and a case of farmland transfer within the family – is a help to Maine farmers.

Agricultural production in Maine generates more than \$1.1 billion in economic impact and supports nearly 13,000 jobs statewide. When combined with agricultural and food processing, these sectors are responsible for over \$7.7 billion in economic impact and support more than 33,000 jobs.<sup>4</sup> Though we cannot comment on the full breadth of the bill, MFT supports a higher exclusion amount for family farms. LD 1617 supports Maine farming families in the costs and barriers they face in transferring the farm to the next generation by carving out an additional exclusion amount.

Thank you for the opportunity to share our comments on LD 1617.

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<sup>3</sup> USDA NASS, *2022 Census of Agriculture, Maine*, “Farm Production Expenses: 2022 and 2017.”

<sup>4</sup> Farm Credit East, *The Northeast Economic Engine: Agriculture, Forest Products, Commercial Fishing, and Food Manufacturing*, p. 9 (2024), available at: <https://www.farmcrediteast.com/en/resources/Industry-Trends-and-Outlooks/Reports/2024-Northeast-Economic-Engine>