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***Testimony of Representative Holly Eaton in support of
LD 1694, An Act to Provide an Income Tax Credit for Certain Disaster
Mitigation Projects for Working Waterfront Property
Before the Joint Standing Committee on Taxation***

Senator Grohoski, Representative Cloutier and honorable members of the Taxation Committee, my name is Representative Holly Eaton, and I proudly represent House District 15, which includes the coastal and island communities of Deer Isle, Stonington, Brooklin, Tremont, Southwest Harbor, Frenchboro, Swan's Island, Isle au Haut and Vinalhaven. I am submitting this written testimony in support of **LD 1694**.

This bill offers meaningful support to Maine's working waterfronts at a time when these critical spaces are increasingly vulnerable to the impacts of climate change—coastal flooding, erosion, and storm damage. Our marine economy depends on the resilience of the infrastructure that supports fishing, aquaculture, boat building, and other water-dependent industries. And yet, the burden of preparing for future disasters often falls on small, family-run businesses that are already doing everything they can just to stay afloat.

LD 1694 establishes a state income tax credit—up to 30% of the cost, capped at \$300,000—for qualifying disaster mitigation projects, like elevating structures, stabilizing shorelines and upgrading stormwater systems. By setting the eligibility threshold to businesses with an average of \$47 million or less in gross receipts, this bill is clearly aimed at helping the small and mid-sized operations that are the economic backbone of coastal Maine.

In my district, we've seen firsthand the toll of winter storms on wharves, access roads and essential waterfront infrastructure. Business owners want to prepare—but they need the resources to do so. This tax credit creates a smart, forward-looking incentive to invest in mitigation before disaster strikes, rather than relying solely on post-disaster recovery.

I'm grateful to Representative Rielly for introducing this legislation and honored to be a cosponsor. I respectfully urge the committee to support LD 1694 and help Maine's working waterfronts remain strong, safe and viable for generations to come.

District 15: Brooklin, Deer Isle, Eagle Island Township, Frenchboro, Southwest Harbor, Stonington, Swan's Island, Tremont, Isle au Haut, Vinalhaven