

19 January 19, 2026

Committee on Taxation

Maine State Legislature
Augusta, Maine

Re: Support for LD 2044 – *An Act to Allow for the Transferability of the Biofuel Production and Renewable Chemicals Tax Credits*

To the Honorable Members of the Committee Taxation Committee,

Katahdin Forest Management LLC, an owner of 300,000 acres in Maine, directly employing 41 people in staff and logging operations lends its support for **LD 2044, “An Act to Allow for the Transferability of the Biofuel Production and Renewable Chemicals Tax Credits”**.

As a company committed to responsible forest stewardship, sustainable resource management, and the growth of Maine’s forest-based economy, we recognize the importance of policies that encourage innovation in bio-based products. LD 2044 can provide a practical way to ensure that incentives for biofuel and renewable chemical production are accessible and fully usable and contribute to the well-being of forest-dependent communities.

In considering the roundwood processing trends in Maine, legislation that promotes renewable energy innovation can directly support Maine’s rural communities by strengthening markets for low-grade wood. One only needs to examine Maine’s annual Wood Processor reports (Figure 1) to see that sawlog demand has remained relatively steady over the last 15 years while the use of pulpwood size material has dropped significantly. Should biofuel production facilities develop additional wood fiber use will contribute to the sustainability and prosperity of many communities in Maine.

Additionally, use of lower grade roundwood products include community and environmental benefits such as:

- **Improved forest health** through increased thinning that reduces overcrowding and wildfire risk.
- **Economic stability for landowners and logging contractors**, who depend on diversified markets to maintain viable operations in rural regions.
- **Local job support**, as biofuel facilities create year-round demand for forest products that might otherwise go unused.
- **Reduced waste and increased utilization**, ensuring that Maine’s forest resources are used efficiently and sustainably.

These benefits not only help maintain healthy working forests but also keep forest-dependent communities economically resilient.

Katahdin Forest Management LLC believes this bill represents smart, forward-looking tax policy that supports Maine’s environmental goals, strengthens rural economies, and fosters innovation across the



forest products sector. We respectfully urge the Committee on Taxation to support LD 2044.

Thank you for your consideration and for your ongoing commitment to Maine's future.

Sincerely,
Katahdin Forest Management LLC

John Steward
Vice President, Maine Timberlands

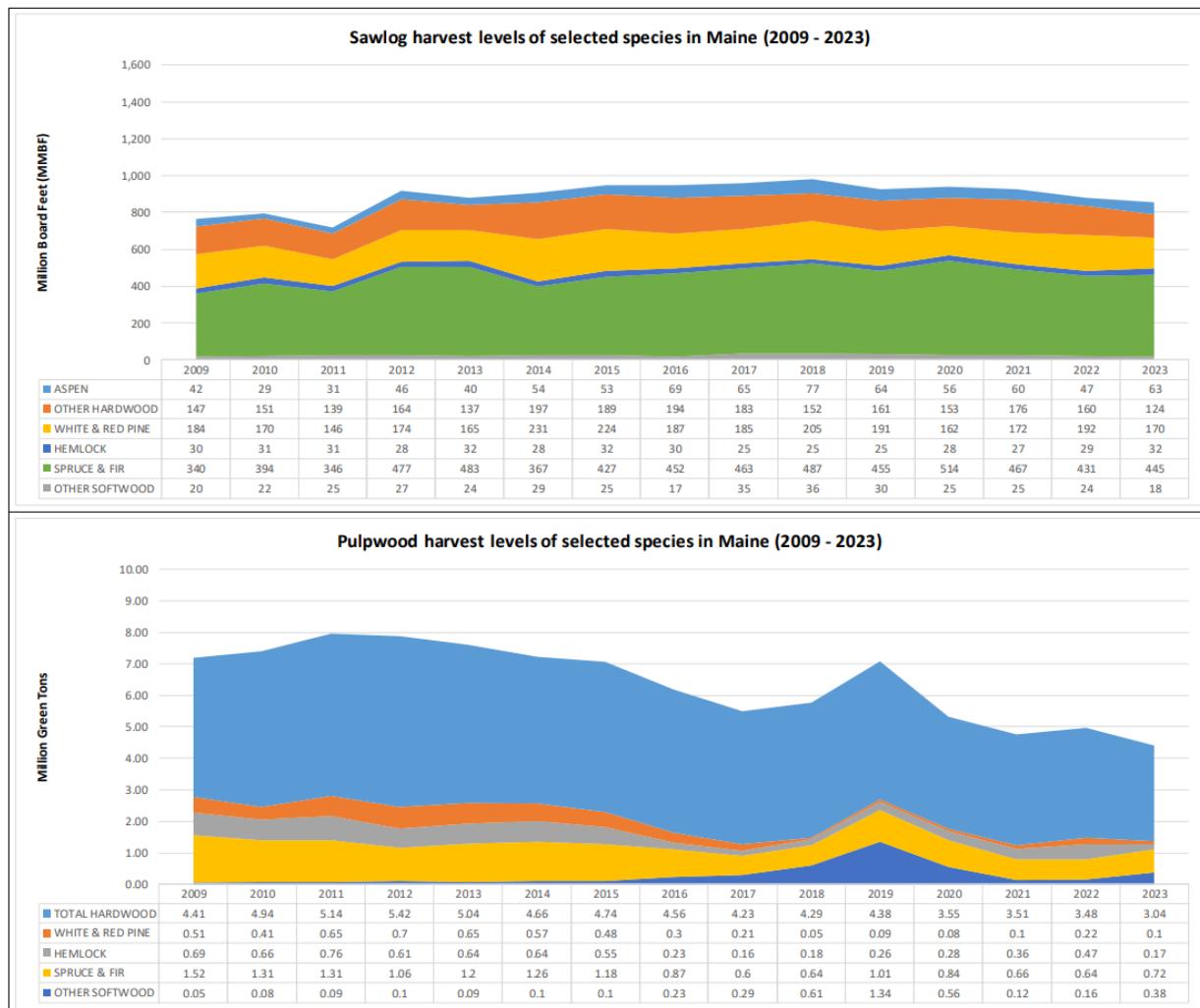


Figure 1. Maine harvest trends 2009-2023 - source: Maine Forest Service 2023 Wood Processor report.