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I've included below some reasons why the legislation should fully conform to the federal changes related to the expensing of Research and Development costs (IRC Section 174).

- The tax benefits will keep more money in Maine's Economy
- Protects Maine's competitiveness for research-intensive investment
- Reduces tax complexity and compliance cost for taxpayers
- Supports wage growth and high-skilled workforce retention
- Encourage expansion of startups, biotech, clean-tech, and manufacturing sectors.
- Avoids penalizing Maine businesses (when compared to the tax treatment of these expenses in other states)
- Reduces burden on Maine Revenue Services by reducing the complexity as noted above.
- Benefit for Maine's long-term growth by supporting higher R&E investments, higher paying jobs and more economic activity.

Thank you.