

Testimony on behalf of Maine Equal Justice on certain proposals within the Taxation sections of LD 2212 An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027

February 19, 2026

Good morning, Senator Rotundo, Representative Gattine, Senator Grohoski, Representative Sayre, and esteemed members of the Joint Standing Committees on Appropriations and Financial Affairs and Taxation. My name is Ann Danforth (she/her), and I am a Senior Policy Advocate at Maine Equal Justice, a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine. I am testifying Neither For Nor Against certain proposals this morning.

While I'm here testifying today on certain Taxation portions of the proposed budget, I hope my testimony will be considered in the larger context of Maine Equal Justice's testimony delivered on the DHHS portions of the proposed budget yesterday, and the MaineHousing portions later this afternoon, as well as additional testimony we will submit next week when the section of the budget related to the affordability checks is heard.

The AFA and HHS committees heard earlier this week about the devastating impacts of the federal budget reconciliation bill, H.R. 1, on Maine families, health care providers, state agencies, and our state budget. In exchange for tax breaks for the wealthy, Congress slashed the federal safety net and shifted massive costs back to the states leaving us to meet the growing need for food, healthcare, and other essentials with even fewer resources. These harsh federal cuts come on top of rising costs and increased monthly bills that are squeezing Maine families' budgets.

One key choice facing Maine right now in connection to H.R. 1 is the extent to which the state will "conform" to H.R. 1's federal tax changes and put those changes in Maine's tax code. As the Legislature considers its options with regard to conformity, we strongly urge you to reject the \$240 million per year in corporate giveaways that would come from full conformity.¹

We appreciate the Administration's rejection of certain elements of conformity that will

¹ <https://www.mecep.org/wp-content/uploads/2026/01/MECEP-Conformity-OBBBA-Memo-Dec-2025.pdf>

not serve Mainers, but are concerned about the inclusion of others (including Opportunity Zones and Research and Experimental Expenses provisions), as they primarily benefit out of state investors, the wealthy, and in some cases are retroactive. Importantly, these are tax benefits that will exist at the federal level regardless of whether Maine chooses to conform.²

Full conformity with the federal tax changes in H.R.1 will make it impossible to reduce the harm to Mainers from the cuts put in place by Congress and the Trump Administration. Maine can be thoughtful about how we generate and spend our money, including taking steps to generate ongoing, sustained revenue to help meet the needs of Mainers who need it most.

By ensuring that the wealthiest pay their fair share of taxes, Maine will have more funds available to:

- Keep people housed by funding the successful Eviction Prevention Program, which you will hear more about this afternoon.
- More adequately fund health care and food assistance and help to fill holes left by H.R.1.
- Increase funding for programs that help Mainers afford rising heating and electricity bills (like the Low Income Home Energy Assistance Program (LIHEAP) and the Low Income Affordability Program (LIAP)).
- Strengthen quality child care and early learning through the Child Care Affordability Program.

All of these investments help set children and families up for success, improve public health outcomes, and help Maine people enter and stay in the workforce.

The Legislature also has the opportunity this session through bills like LDs 1089, 1879, and 229 to generate progressive revenue by asking the wealthiest to pay more to help sustain ongoing investments that will make our state a better place to call home.

Thank you for the opportunity to testify and I would be happy to answer any questions.

² <https://www.mecep.org/wp-content/uploads/2026/01/MECEP-Conformity-OBBBA-Memo-Dec-2025.pdf>