

Testimony in Support of LD 713, An Act to Exclude Data Centers from the Business Equipment Tax Exemption and Dirigo Business Incentives Programs and to Require the Maine Department of Economic and Community Development to Study Financial Incentives for Data Centers

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Sen. Grohoski, Rep. Sayre, and members of the Taxation Committee, my name is Maura Pillsbury and I am a policy analyst at Maine Center for Economic Policy. We are testifying in support of LD 713. LD 713 would put a pause on certain tax subsidies for data centers, including BETE and Dirigo. There is good reason to do so.

Proposals for data centers in Maine communities, and around the country, have been shrouded in secrecy.<sup>i</sup> Elected Maine officials have signed non-disclosure agreements about the proposed terms of data center development, preventing them from discussing any details they learn with the public. This leaves residents in the dark about developments that could significantly impact their communities—data centers consume large amounts of water and energy, potentially impacting the cost and availability of utilities for nearby residents.

Data centers are owned by the world's largest tech companies, including Google, Amazon, and Microsoft, who already have the resources to make investments without these incentives. AI and cloud computing are a profitable, high-growth industries. States should not engage in a race to the bottom trying to attract investment from large multinational corporations that will likely consider other factors, like cost of electricity or access to water, more important to their location decisions.

Dirigo and BETE seek to spur investment by offering tax breaks for investing in equipment and training staff. But the majority of jobs created by data centers will be short-term through construction. Once data centers are completed, they have relatively few permanent employees in comparison to large cost of subsidies they receive for expensive equipment they require.<sup>ii</sup>

MECEP urges the Committee to expand this bill to include a moratorium on all state business subsidies for data centers, not just BETE and Dirigo, and at the very least require full disclosure of subsidies data centers operating within Maine are receiving. Other states have seen skyrocketing costs for subsidizing data centers, threatening revenue.<sup>iii</sup> Lawmakers should know the potential budgetary impact of these centers.

We also suggest an objective third party such as OPEGA be responsible for conducting the proposed review of business center subsidies.

Thank you for your time. I would be happy to answer any questions. [maura@mecep.org](mailto:maura@mecep.org)

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<sup>i</sup> Kainz, Natalie. "How NDAs keep AI data center details hidden from Americans." NBC News. 28 Oct 2025. <https://www.nbcnews.com/tech/tech-news/data-center-ai-google-amazon-nda-non-disclosure-agreement-colossus-rcna236423>

<sup>ii</sup> Garofalo, Pat. "How to Rein in Big Tech's Secret Data Center Deals." Nov 2025. American Economic Liberties Project. [https://www.economicliberties.us/wp-content/uploads/2025/11/data\\_center\\_brief\\_FINAL.pdf](https://www.economicliberties.us/wp-content/uploads/2025/11/data_center_brief_FINAL.pdf)

<sup>iii</sup> Tarczynska, Kasia. "Cloudy with a Loss of Spending Control: How Data Centers Are Endangering State Budgets." April 2025. Good Jobs First. <https://goodjobsfirst.org/cloudy-with-a-loss-of-spending-control-how-data-centers-are-endangering-state-budgets/>