



March 9, 2026

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Senator Margaret Rotundo, Chair
Representative Drew Gattine, Chair
Members of the Appropriations and Financial Services Committee

Senator Nicole Grohoski, Chair
Representative Dan Sayre, Chair
Members of the Taxation Committee

RE: Testimony in Opposition to Part O (Sunset of the Business Equipment Tax Reimbursement Program – BETR), LD 2212 Supplemental Budget

Dear Senators Rotundo, and Grohoski; Representatives Gattine, and Sayre; and Distinguished Members of the Committees:

The Maine Jobs Council respectfully submits this letter in opposition to the proposed sunset of the Business Equipment Tax Reimbursement (BETR) program contained in Part O of LD 2212. The Maine Jobs Council is a statewide, nonpartisan, member-driven advocacy organization that advances public policies to support the creation and preservation of foundational jobs in Maine. We oppose the elimination of the BETR program because it would significantly increase the tax burden on Maine employers at a time when many businesses are already struggling to remain competitive and sustain their workforce.

Maine's Employers Are Already Facing Significant Headwinds

A recent assessment of the competitiveness of Maine's statewide economy by the Porter Development Initiative (PDI) found that Maine's economy is not growing at rates comparable to most other states in the nation. PDI's research revealed that we are among the least productive states in the nation; we create fewer jobs, attract less investment, and start fewer businesses; our wages are low and contrast with higher costs; and we lack many of the hallmarks of a competitive location for talent, jobs, and investment.

In addition, Maine consistently ranks near the bottom nationally on key economic and demographic measures, including overall economic performance, business climate, infrastructure, and venture capital investment. We have the highest percentage of population over 65 and the second lowest percentage of population under 18. Maine also ranks among the highest in the nation in overall tax burden, cost of living, residential electricity prices, and health care costs.

These challenges are contributing to a troubling trend: Maine businesses are increasingly being sold out of state. When this happens, the consequences often extend far beyond ownership changes,

including the loss of executive positions, salaries, and taxes; career paths for young people; ancillary legal, accounting, and insurance services; spin-off income for airports, hotels, and restaurants from vendors who visit the new headquarters; and reduced connection to Maine communities, charities, and social services.

The purpose of highlighting this data is to underscore that Maine employers are already facing significant headwinds, including high taxes, energy, and health care costs, an aging workforce, and continued outmigration of young people. These conditions make Maine less competitive in attracting and retaining talent, jobs, and investment.

Eliminating BETR Would Increase Costs and Discourage Investment

Against this backdrop, eliminating the BETR program would impose a significant new tax burden on Maine businesses that rely on machinery and equipment to operate and remain competitive. When the Legislature established the BETR Program in 1995, it did so in recognition of the fact that Maine's taxation of business equipment created a strong disincentive for capital investment. The program was designed to offset that burden by providing a predictable reimbursement framework that encourages employers to invest and expand operations here.

For nearly three decades, Maine employers have made long-term investment decisions with the understanding that the BETR program would remain part of the state's economic policy framework. Companies have purchased equipment, modernized facilities, and expanded operations based on that expectation. Eliminating the program now would effectively change the rules after those investments have already been made, exposing businesses to higher property tax burdens on equipment that was purchased in good faith under the existing policy structure.

This kind of policy instability has real consequences. Capital investment decisions are typically made years in advance, and businesses carefully evaluate the tax environment when determining where to locate or expand operations. When states alter long-standing investment policies midstream, it undermines confidence and discourages future investment. At a time when Maine already faces challenges attracting capital and improving productivity, increasing the tax burden on machinery and equipment sends the wrong signal to employers both inside and outside the state.

Maine Needs a Strategic Plan

Individual policy decisions, such as the proposed elimination of the BETR program, should be considered within the broader context of Maine's economic competitiveness. For years, Maine has enacted legislation addressing individual issues in isolation, often without a comprehensive assessment of the impact of those decisions on the state's ability to attract talent and investment.

Over time, these incremental policy decisions have contributed to a business environment that is increasingly difficult for employers to navigate and remain competitive within. The result is an

economy that consistently underperforms relative to other states on many key indicators of growth and opportunity.

Maine businesses need relief from the many uncompetitive factors they face, not additional costs that further discourage investment. What Maine needs is a comprehensive and integrated economic strategy that focuses on improving the state's competitive position in areas that matter most for long-term economic success: talent attraction and workforce development, education and training, access to capital and investment, regulatory efficiency, infrastructure, and the overall cost of doing business, including taxes, energy, and health care.

Increasing the tax burden on capital investment through the elimination of the BETR program would move Maine in the wrong direction at a time when the state should be focused on strengthening its competitive position and supporting the businesses that create jobs and economic opportunity.

The Maine Jobs Council thanks the committee for its time and consideration of this issue, and we would welcome any opportunity to discuss it with you.

Thank you,

Alexander Price, Pierce Atwood
On behalf of the Maine Jobs Council