



Maine Grocers &
Food Producers
Association
PO Box 5234
Augusta, ME 04332
207.622.4461
info@mgfpa.org

February 14, 2023

IN OPPOSITION - LD 191 'An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits'

Dear Senator Grohoski, Chair, Representative Perry, Chair, and Members of the Committee On Taxation,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association (MGFPA). MGFPA is a business trade association representing more than 200 businesses within Maine's food community; Main Street businesses including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

We are speaking in opposition to LD 191 'An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits'. While we are sympathetic to the challenges of Maine's lobster industry, we do not support the premise that the legislature should create policy that seeks to disincentivize and financially burden businesses based on the products they opt to sell or not sell. We cannot support laws that impede on private businesses and their distinct business models.

This policy proposal is misdirected. It should not be positioned as war against the retailer. It is poor policy to discourage businesses with penalties as a result of determining what aligns with their values and characteristics that make up their brand --- when the origin of the issue is rooted in the details of a certification process.

We question the feasibility and potential unintended widespread consequence of this legislation. How does this policy effect the varying spectrums of certifications? Certifications can range from Food Justice Certifications, Fair Trade, World Fair Trade, USDA Organic, Rainforest Alliance, Certified Grassfed, to Animal Welfare Approved (to name a few). Many of these designations may affect whether or not products are the best fit for a store's assortment. How will it be determined that they're banned and prohibited vs. simply not the right fit or not meeting sales expectations? Who will oversee the compliance of the policy? Is it specific to retailers and the end-consumer or also those sourcing ingredients? How widespread are the ramifications on the businesses? What is the real economic impact or harm of this legislation and does it outweigh the perceived benefit?

Many specialty food stores, grocers, and retailers pride themselves on their unique product offerings. It is their exclusive procurement procedures that set them apart from their competitors. Similarly, food manufacturers, farmers or producers often determine which certifications and standards they want to apply for, achieve, and market. Certifications can help differentiate products in the marketplace. Certifications speak to certain customers, convey a value, and at times help ensure a higher price point. This is a consumer, end-user decision, whether or not to financially support particular products or places of business and should be up to the individual, not a blanket decision by the legislature.

Lastly, we believe the true intent is to help and rally support behind Maine produced, harvested and grown goods. Alternatively, let's bolster these industries with additional tax incentives, assistance for market expansion, investment in infrastructure, support for lessening environmental impacts, and provide funding for scientific research to combat misinformation. Maine's 10-year Economic Development Strategy identifies 'food' as one of the four 'thematic areas' "in which Maine has current strengths, there is growing global demand, and there is a potential for job creation." We support bypassing this narrow tax penalty and instead propose fostering Maine's food industry's growth.

Thank you for the opportunity to provide testimony.

Christine Cummings

Christine Cummings
Executive Director