



**Alison Sucey, Chief Operating Officer & Director of Government Affairs
On Behalf of the Maine Tourism Association**

In Support Of

LD 1222 An Act to Expand Child Care Services Through an Employer-supported Tax Credit

April 11, 2023

Senator Grohoski, Representative Perry, and Members of the Joint Standing Committee on Taxation:

My name is Alison Sucey, and I am the Chief Operating Officer and Director of Government Affairs for the Maine Tourism Association. The Maine Tourism Association is the state's largest advocate for all tourism-related businesses. Incorporated in 1922, MTA's 1500 members include lodging, restaurants, retail, outdoor recreation, guides, amusements, and cultural and historical attractions. MTA also operates on behalf of the state seven State Visitor Information Centers from Kittery to Calais, and annually produces the state's official travel planner, Maine Invites You. I am testifying in support of LD 1222.

We are all aware of the workforce challenges facing us—this is perhaps felt the most in the tourism and hospitality industry. Although many of our businesses have had great success in 2021 and 2022, far too many businesses have not fully recovered from pandemic losses. Difficulties in hiring and retaining workers continue to slow the recovery and growth of our tourism businesses. According to the U.S. Travel Association, nationwide nearly one in seven job openings are in the leisure and hospitality sector.

Maine's economy is dependent on a successful tourism industry. According to the Maine Office of Tourism, 2022 numbers indicate that:

- Direct tourism expenditures totaled \$8.6 billion
- Without tourism, Maine households would have had to pay an additional \$2,172 in state and local taxes
- Tourism supported 151,000 Maine jobs

Maine needs tourism to be successful, not just for the 151,000 people in its jobs and the direct economic impact but also for the indirect impact. Tourism businesses utilize contractors, landscapers, plumbers, and electricians; and they buy from our farms, fisheries, wineries, and breweries. If tourism businesses can't succeed, these other businesses suffer as well. Further, tourism touches every corner of our state, providing not just jobs but careers and entrepreneurial opportunities in places like Jackman, The Forks, Millinocket, and Greenville.

The challenges that prevent tourism from filling every job opening are similar to other industries: affordable housing, transportation, and affordable child care. The bill authorizes a refundable tax credit of up to \$3,000 for an employer that pays or provides in-kind resources for child care for the children of its employees which will help Maine families afford child care, and enter and stay in the workforce. This can also help our employers to recruit and retain qualified workers by increasing the workers' access to reliable child care. This alone won't fix all the contributing factors of the workforce shortage but this bill can be one very valuable piece of the solution.

I respectfully ask that you to vote in favor of LD 1222. Thank you for your consideration.