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# Maine Equal Justice

## People Policy Solutions

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### Testimony on Behalf of Maine Equal Justice *in support of* LD 1337: An Act to Require a Corporation That Files a Tax Return in the State to File a Tax Disclosure Statement

April 13, 2023

Good afternoon Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Ann Danforth and I use she/her pronouns. I'm a Policy Advocate at Maine Equal Justice, a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine.

Thank you for the opportunity to testify today in support of LD 1337.

#### **LD 1337 will provide needed transparency that can help inform more equitable policy decisions**

Families with low income are still suffering from the economic impacts of the pandemic, with record high inflation coupled with a pre-existing and worsening housing crisis. At the same time, data shows that corporations reported record high profits during the pandemic.<sup>1</sup>

While families with low income pay a disproportionate share of their income in taxes, even as they struggle to make ends meet, federal data indicates that corporations that do business in Maine are not holding up their end of the social bargain by paying into our communities in taxes.<sup>2</sup> This is lost revenue that could and should feed back into our state's infrastructure, education system, and economic security programs to better support our people and workforce.

This is revenue that could:

- Support affordable housing programs to help address Maine's housing crisis.
- Expand refundable tax credits for Mainers with low-income, thereby strengthening Maine's families and improving outcomes for children. The Child Tax Credit cut poverty nearly in half in our state when it was in effect.

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<sup>1</sup>

<https://www.brookings.edu/research/profits-and-the-pandemic-as-shareholder-wealth-soared-workers-were-left-behind/>

<sup>2</sup> <https://www.mecep.org/blog/lack-of-corporate-tax-transparency-hurts-maine/>

- Invest in our health care system to keep all Mainers healthy and make sure no one goes without lifesaving care.
- Ensure all Maine families have enough food so that kids aren't going to school hungry. According to the most recent data, 139,410 people in Maine are facing hunger and 39,990 of them are children.<sup>3</sup>

As the Maine Center for Economic Policy notes<sup>4</sup>, a first step in changing our state tax policies to better meet the needs of Mainers with low income is having the data that shows us what corporations are or are not currently paying in taxes to support the public services that make Maine a good place to do business.

### **Conclusion**

Thank you for the opportunity to testify on these bills. I am happy to answer any questions you might have.

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<sup>3</sup> <https://www.feedingamerica.org/hunger-in-america/maine>

<sup>4</sup> <https://www.mecep.org/blog/lack-of-corporate-tax-transparency-hurts-maine/>