

## STATE OF MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT



## April 18, 2023

## TESTIMONY OF HEATHER JOHNSON, COMMISSIONER OF THE MAINE DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT, REGARDING LD 1475 "AN ACT TO PROMOTE BIOMANUFACTURING AND BIOTECHNOLOGY BY ESTABLISHING A TAX CREDIT

Senator Grohoski, Representative Perry, and esteemed members of the Joint Standing Committee on Taxation, my name is Heather Johnson, and I am the Commissioner of DECD. I am here to testify in support of LD 1475, "An Act to Promote Biomanufacturing and Biotechnology by Establishing a Tax Credit."

The life sciences industry in Maine is broad and growing with a wide range of companies, academic institutions, and efforts to attract workers who are attracted to Maine's quality of life. The life sciences sector is important for many reasons, including the creation of good-paying jobs and encouragement of innovation in our economy.

Life science job growth of 42% in the last 5 years has significantly outpaced job growth in all industries in Maine. During that same period, the life science industry has shown stronger job growth in Maine than in all other New England States. There is clearly opportunity here.

Maine's 10-year economic development strategy focuses on the importance of expanding innovation in our state, increasing the amount spent of research that can be commercialized, and to find solutions to global challenges. The life sciences sector will be key to the success in this area. These companies are highly sought after by states across the northeast, and financial incentive tools like this will keep Maine in the consideration set.

The amendment to a grant program, suggested by the sponsor in his testimony, will offer us the opportunity to pilot programs that will help accelerate the existing growth. We look forward to working with the sponsor on the language for that amendment in preparation for your work session. Thank you for your time and consideration, and I am happy to address any questions or concerns you may have in preparation for or during your work session.

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