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Senator Grohoski, Representative Perry and distinguished members of the Joint Standing Committee on Taxation, I am Representative Sawin Millett and It is my pleasure to cosponsor LD 1475, An Act to Promote Biomanufacturing and Biotechnology Development by Establishing a Tax Credit. LD 1475 would provide a meaningful tax credit to a limited number of applicants to build some biotech incubators and some biomanufacturing operations, likely stemming from these incubators. It represents the type of public/private partnership needed to spawn and accelerate a nascent industry. It is a short-term state investment to bolster the development of a stronger bioscience economy.

At the outset, I want to clarify that the incubators incentivized by this bill would be privately owned and operated. Years ago, some of you may recall, the State itself invested in incubator spaces in various regions. Those incubators did not prove very fruitful for all sorts of reasons. But this bill is targeting something very different. This bill would provide an incentive to privately owned and operated incubators, as a public/private partnership.

Biotech is the new economic frontier, and we have a lot of the elemental pieces to grow a strong biotech sector. These elements include leading higher education research institutions, a strong community college system that will help build a pipeline of workers, a growing number of biotech companies in Maine, and a manufacturing heritage. We can do a lot more to tap into the resources in Boston, and I believe this bill will help us to do so.

I recommend this bill to you for several reasons. Perhaps the strongest reason is that with a privately owned and operated incubator facility will come tenants who will make investments in the form of research and development investments, and who will be supported by venture capital as they emerge from the incubator. These are the types of investments that we need to see in Maine to grow and strengthen our economy and to provide good job opportunities for Maine citizens.

I would also like to say a few words about the fiscal note that will be attached to this bill. The bill is drafted such that any tax credit awarded under this bill will not impact the current biennial budget. We will, of course, need to look at the future fiscal impact, which is very well defined in the bill and would not exceed \$3.6 million a year for 5 years, if the credit were fully utilized as soon as possible. Likely, it will take longer for applicants to qualify, and we'd see that maximum amount be spread over more than 5 years.

While we don't do dynamic fiscal impacts, it is fair to say that should any facility be built and qualify for this tax credit, it would be stimulating property tax payments, wages that will in turn pay income taxes, employment taxes and sales taxes, both directly and indirectly.

Finally, and importantly, biomanufacturing provides excellent career opportunities. Our emerging workforce and young adults will benefit by our leadership in accelerating this sector in Maine, helping them to secure meaningful jobs and a promising career path. Providing our young adults with in turn will strengthen our schools and communities.

For these reasons, I ask that you give favorable consideration to this legislation.