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**THE MAINE SENATE**  
**131st Legislature**

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**Testimony in Support of LD 1475**

**“An Act to Promote Biomanufacturing and Biotechnology Development by Establishing a Tax Credit”**

**Presented to the Joint Standing Committee on Taxation**

April 18, 2023

Good morning Senator Grohoski, Representative Perry, and honorable members of the Joint Standing Committee on Taxation. My name is Troy Jackson. I serve as President of the Maine Senate and represent the good people of Aroostook County in the Legislature. I’m here today to testify in support of LD 1475, “An Act to Promote Biomanufacturing and Biotechnology Development by Establishing a Tax Credit.”

Maine’s paper mills and forest products industry are critical to both preserving our state’s past and powering rural economies. Though I believe there will always be a place for paper manufacturing in Maine, the recent closure of mills in northern and western Maine has underscored the need for this industry to adapt. I believe there are opportunities to bolster this sector of our economy by transitioning to the production of goods and services that have a future demand and support good paying jobs for Maine people.

That’s why I’m before you today to present LD 1475. This bill is a vehicle to help the State of Maine transform and strengthen its economy by incentivizing the development of some biotechnology incubators and bio manufacturers.

Generally speaking, biotech and biomanufacturing is the process of using living organisms to create new products such as medicines, foods and industrial products to meet changing market demands. It is the new frontier of products needed for the future. Between Maine’s natural resources and heritage industries, and its proximity to the robust bioscience research and development in Boston, Maine is uniquely positioned to transform our economy through biomanufacturing processes.

The draft before you would provide a refundable tax credit to a few companies that invest significant capital investments in either a biomanufacturing incubator facility or a full-scale biomanufacturing facility. However, I am open to creating an amendment to the bill that would structure the incentive as a grant program, rather than a tax credit. This will require some substantial edits, but I hope that you will consider the testimony of those following me to better describe and understand how this grant program would be structured.

Regardless of whether the committee chooses to proceed with the tax credit or grant structure, LD 1475 is a smart investment for Maine. We have a unique opportunity right now to develop a bio-manufacturing hub. We have colleges and training programs working to build a pipeline of talent, researchers and entrepreneurs. We have a growing workforce in a growing number of life sciences companies. We have more bio-based companies. We have rural communities ready to embrace new industry and good-paying jobs. But to get there, we need to do more to nurture this growing cluster. LD 1475 will help us get there by providing the support needed to kickstart even more private investment.

In addition to the investment incentive program, the incentives for a biomanufacturing incubator would provide shared lab and office space, shared equipment, partnerships, and financial investments to biotech startups. It will provide a critical link between concepts developed through academic research at the University of Maine, the University of New England, the Roux Institute and others, and the commercial production of a product. A Maine-based incubator would be available to Maine companies, such as MaineHealth, Bigelow Labs, Jackson Labs and others. It will also attract companies that are not able to find the space to do their incubator work or manufacturing in Boston, bringing to Maine a more robust biomanufacturing activity.

I am excited about the prospect of growing this sector in Maine and the possibility of this bill to support it.

Thank you for your time and I'm happy to answer any questions you may have.