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**Senator Eric Brakey
Presenting L.D. 1900, "An Act to Establish a Tax Credit
for Employers Who Employ Persons Recovering
from Substance Use Disorder"
Before the Joint Standing Committee on Taxation
Tuesday, January 9, 2024**

Senator Grohoski, Representative Perry, and members of the Committee on Taxation, I am Eric Brakey, Senator from Androscoggin, representing the people of Auburn, New Gloucester, Poland, and Durham. Thank you for your attention as I present L.D. 1900, "An Act to Establish a Tax Credit for Employers Who Employ Persons Recovering from Substance Use Disorder."

We all recognize that the road to recovery for an individual with substance use disorder is a difficult one. There are many things we in government do, attempting to help — subsidizing treatment programs, for example — but the most important factor is something no government can provide.

Overcoming the challenges of addiction requires more than external assistance. It requires an internal drive that comes from a sense of purpose — that reason we all get up in the morning, overcome entropy, and tackle whatever obstacles stand in our way. Where does that sense of purpose come from? It is different for different people, but common sources of purpose come from faith, family, and a job.

This legislation concerns that last piece: jobs for people on the road to recovery — providing the daily regularity and responsibility can help someone stay on the straight and narrow. I've seen it firsthand. Keeping busy with work can help keep someone from falling back into bad habits. Finding a sense of purpose can keep someone away from temptations that would hinder that purpose.

By authorizing tax credits to businesses that hire individuals in recovery, we would create a positive incentive to give employment opportunities to those who may otherwise be looked over.

When meeting with local administrators in the City of Auburn last year, seeking input on legislative requests, the Director of Auburn Public Health asked me to sponsor this piece of legislation. This bill is modeled on similar programs that exist in other states (including New York). It would create an annual tax credit for employers who hire individuals in recovery.

For an employee to qualify, he or she must be participating in or have successfully completed a DHHS certified substance use disorder treatment program and worked for the business at least 500 hours in the year. The tax credit accumulates for the business at a rate of \$1 for every hour the employee works, capping out at \$2,000 per employee. (To spare you the math, 40 hours a week over 52 weeks is 2,080 hours in a year.) Effectively, this would lower the expense to hire an employee in recovery by \$1 per hour compared to other workers, creating a positive incentive to give this individual an opportunity.

For an employer to qualify, the business must be certified by DHHS on the basis of providing a recovery-supportive environment for employees as evidenced by a formal working relationship with a local recovery or treatment provider. That maximum a business may accumulate in tax credits from this program would be \$2 million per year (1,000 full time employees). It should also be noted this would be a regular tax credit (not a refundable credit) against the existing tax obligation of the business, but unused credits may be carried over for up to seven years.

Finally, this legislation acknowledges that for someone on the road to recovery, relapse happens. An eligible employee who relapses would not be immediately disqualified, provided the individual shows a continued commitment to recovery that aligns with the individual's relapse prevention plan, discharge plan, or recovery plan.

Thank you for your time and consideration. I am happy to answer any questions to the best of my ability.