



Maine People's Alliance

Senator Grohoski, Representative Perry, and members of the Joint Standing Committee on Taxation, my name is Adam Zuckerman and I am the lobbyist for the Maine People's Alliance. MPA is Maine's largest community action organization with over 32,000 members across the state. Our mission is to create a world where everyone has what they need, contributes what they can, and no one is left behind.

I am here to testify Neither for Nor Against on LD 1891 An Act to Support Maine Businesses Through a Child Care Tax Credit and a Pass-through Entity Tax.

Child care is a crucial aspect of our state's economic infrastructure. While we deeply appreciate the work and motivation of this bill's supporters, who have a long history of advancing crucial supports for families, we do not believe this bill is the best way to use state resources to equitably improve workers' access to child care services.

The main issue affecting our lack of child care is low wages and the resulting challenge to attract and retain workers in this sector. 85 percent of child care centers in Maine are experiencing staffing shortages, with low wages overwhelmingly identified as the biggest barrier to recruitment.

Part B of LD this bill is a blanket tax credit for employers of any size, and experience from other states shows these disproportionately benefit larger employers who compete with small business for workers. We think this bill would be significantly improved if that credit were limited just to small businesses or to those who actually build out supply rather than just giving money for child care.

Last session, lawmakers made critical investments to improve our child care system. There remains a great deal of work to strengthen those investments, like funding child care centers for enrollment rather than for attendance. While in a vacuum we believe this is a worthwhile bill, in a limited fiscal environment it feels crucial to prioritize the most effective investments. Thank you.