

The Case for Universal 501 (c) (3) tax exempt status for all Federally qualified organizations in the State of Maine

Good afternoon, Senator Rotundo, Senator Grohoski, Representative Sachs, Representative Perry and members of the Appropriations and Financial Affairs and Taxation Committees.

My name is Randy Jackson and I co-founded Breaking the Cycle a Recovery Home for women in Millinocket and founded the Boreal Theater <https://borealthheater.org> in Millinocket. One of these organizations is exempt from state use and sales tax and the other one is not. I support universal sale and use tax exemption to all Federal 501 (c) (3) organizations in the state of Maine.

Today I represent the Boreal Theater one of the 501 (c) (3) organizations that is not exempt from sales and use tax in the state of Maine. I can't understand why we are not. We are the Boreal Theater bringing the Arts and Culture to Rural Maine.

Arts and culture are frequently the spark of recovery in many towns blighted by the loss of paper mills. A small group of people get together and purchase a building and turn it into an art gallery or multiuse theater like the Boreal Theater. Right now, we are all volunteers with a consultant and web design management arm. We sponsored over 40 events last year. This year The Refugee Chorus Pihcintu (pea-sin-to) will be presented to our rural Maine schools in Penobscot County through the efforts of Boreal Theater. We have invitations out

to several surrounding community schools. This is a tremendous effort put forth by our theater to ensure our area youth have exposure to the arts and cultures of this international refugee chorus. We now have our own Boreal Theater children's chorus. We are planning a summer theater for our youth.

We are dependent on the support of our community and various benefactors. Donations are our bread and butter. I would like to think that every dollar we garner works for our organization, but it does not. The Boreal Theater is very small on Maines stage of nonprofits, but the monies saved are real dollars and would go directly back into our mission which is to bring the arts and culture to rural Maine. We do have plans to build out our payroll. We are trying to cobble together a position that will benefit several nonprofits at once. Many nonprofits lack capacity in rural Maine, dollars are very important to us.

I read a statistic about nonprofits in Maine; 1 in 6 people living in Maine work for a nonprofit. That is 16% of the work force. That is more than 140,000 jobs each paying taxes to the state of Maine. There are 10,618 Nonprofits in Maine; those that make up the taxed nonprofits are only about 0.18% of the sales tax revenue. Last year in one month alone the State of Maine generated nearly \$10,000,000 more in sales tax than the budget anticipated. That alone would cover the cost of this program.

There is no rhyme or reason in my mind of why the local Humane society is exempt from use and sales tax and the Arts and Culture organizations are not. Arts and Culture are the heart and soul of many cities. The arts are strong they can lift you up. Museums and Historical Societies that provide cultural programs to the public are exempt. We are not exempt.

The Boreal Theater has gathered a wide variety of cultural events and presented them to rural Maine. Many of which have been free to the public as the events have been sponsored by our patrons.

Many of the rural nonprofits operate on the benevolence of their board of directors without whose support would have a difficult time moving forward. Rural Maine does not have economy of scale as afforded by the larger cities. Our performances are small in comparison to the larger venues, but the uplifting of the soul is priceless.

We would like to be on a level playing ground when it comes to 501 (c) (3) determination. We worked hard for the designation and the work we do is beneficial to our state.

Please consider Universal Sales tax exemption for the Federally designated 501 (c) (3) nonprofits doing so much work to benefit the state of Maine.

I thank you for your time.

Randy D Jackson
95 Knox Street
Millinocket, Maine 04462
e-mail jacksonrandy106@gmail.com

President of the Board Breaking the Cycle
President of the Board Boreal Theater

Pihcintu is an indigenous word from the Passamaquoddy peoples meaning , “When she sings, her voice carries far.”