

Testimony of Linda Caprara
On behalf of the Maine State Chamber of Commerce
Opposing Part H of L.D. 210, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 205, June 30, 2026 and June 30, 2027.”
Before the Joint Standing Committee on Appropriations & Financial Affairs
February 3, 2025

Good afternoon Sen. Rotundo, Rep., Gattine and Members of the Joint Standing Committee on Appropriations and Financial Affairs, and Sen. Grohoski and Rep. Cloutier of the Joint Standing Committee of Taxation. My name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are here to speak in opposition of Part H in L.D. 210, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 205, June 30, 2026 and June 30, 2027.”

Part H proposes to reduce the pension deduction for retirees in the State impacting over 22,000 Maine taxpayers. We feel strongly this is nothing more than an income tax increase on our retirees in the State. Just a few years ago, Maine *increased* the pension deduction to help retirees out, from \$10,000 to where it is today standing at a little over \$45,000. This was done with bi-partisan support.

Now three years later, the Governor is proposing to roll-back these changes. Maine already has one of the top marginal income tax rates in the country. We continually hear from many of our member companies how difficult it is trying to recruit professionals here to the state. We want people to locate to Maine and retire here not elsewhere.

Retirees are very important to Maine’s economy. Retirees make up a huge portion of Maine’s demographics. Retirees often spend a large portion of their disposable income on goods and services, fueling our economy.

According to the Tax Foundation, nationally Americans are moving to lower tax states. This has been an ongoing trend and shows no signs of slowing down. We’ve heard the same here in Maine. Over the years, many retirees have left Maine relocating to lower taxed states for six months and a day, returning to Maine afterwards for the rest of the year. Retirees are mobile, they don’t have to stay here in the state.

That’s why Maine should do everything to protect seniors and their financial security.

We urge you to reject Part H of L.D. 210.

If you have any questions, I would be happy to answer.