

Testimony of the Telecommunications Association of Maine
In support of
Part G of L.D. 210, *An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027*
Before the Joint Standing Committees on Appropriations & Financial Affairs and on Taxation
February 3, 2025

Good afternoon, Senators Rotundo and Grohoski, Representatives Gattine and Cloutier, and Members of the Joint Standing Committees on Appropriations & Financial Affairs and on Taxation. I am Steven Hudson, an attorney with the firm of Preti Flaherty and I am here today to provide testimony on behalf of the Telecommunications Association of Maine (“TAM”) on *L.D. 210, An Act to Extend the Time for Certain Public Utilities Commission Proceedings*. TAM members serve some of the most rural and smallest communities in Maine and have done so for more than one hundred years. TAM members are solidly part of their local communities and integral parts of the economic development mosaic of these communities.

TAM testifies today in support of the changes to Maine law proposed by Part G of L.D. 210, related to the service provider tax and Maine’s tax treatment of telecommunications services. Under the current system, some such services are taxed at the service provider’s tax rate 6%. However, other services are taxed at the state sales tax rate of 5.5%. By moving all such services to the sales tax, this reduces and simplifies the administrative tasks to ensure compliance with the proper tax. It also provides a slight but very real tax savings for TAM’s customers which typically pay 6% on their bills. We thank the Governor and her Administration for proposing this equitable move to a simple and single tax rate for telecommunications services.

Thank you for the opportunity to comment on LD 210. We are happy to answer any questions now or at the work session.