



## **Testimony of**

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**Before the Joint Standing Committee on Taxation to LD 192, An Act to Exempt from State Sales Tax Utility Vehicles Purchased for Use in Commercial Fishing, Agricultural Production, Aquacultural Production and Wood Harvesting**

**Tuesday, February 4, 2025**

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). The PLC is a regional non-profit organization that represents logging and associated trucking contractors throughout the Northeast, predominately in the state of Maine.

As background, the PLC was created in 1995 to give logging and associated trucking contractors a voice in a rapidly changing forest products industry. As of 2021, logging and trucking contractors in Maine employed over 3,000 people directly and were indirectly responsible for the creation of an additional 2,500 jobs. This employment and the investments that contractors make contributed \$582 million to the state's economy. Our membership, which includes over 200 contractor members in the state of Maine and an additional 125 associate members, is responsible for more than 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in support of LD 192, An Act to Exempt from State Sales Tax Utility Vehicles Purchased for Use in Commercial Fishing, Agricultural Production, Aquacultural Production and Wood Harvesting.

Since 2020, we have lost about 40% of the logging capacity across the Northeast as a result of mill closures, high inflation and a pullback in building construction due to high interest rates. Logging, along with farming and fishing, is the backbone of the Maine economy, and the Legislature should attempt to do all it can to help these heritage industries offset costs that are mounting daily and provide predictability for long term growth. If this state wants to see the next generation take over, regardless of industry, we should support policies like this that are consistent across the board to create positive pathways forward.

While logging contractors don't use all-terrain vehicles exclusively to run their businesses, there are instances where they do need to use them for various functions on a regular basis. Loggers use all-terrain vehicles to access timberland in advance of, during and following timber harvests.

While the demand will not be exponential, it will provide a benefit for contractors to run their business and reduce cost. It will also provide parity with other equipment that is currently tax exempt for loggers, fisherman and farmers.

The logging industry is suffering today to remain profitable and supply our mills with the wood they need. Loggers are at risk because of escalating operating costs that are involved with running this kind of capital-intensive business. If the forest products industry, or any heritage business for that matter, is going to continue to operate in the future, the state of Maine should be doing all it can to create a competitive platform for all heritage industries. Our industries are not looking for a handout, but a hand-up to ensure that all of them can continue into the future.

Thank you for the opportunity to speak before you today and I look forward to answering any questions you may have.