

**TESTIMONY OF
DANIEL D’ALESSANDRO, DEPUTY TAX POLICY COUNSEL
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *February 27, 2025*

LD 288 – “*An Act to Make Technical Changes to Maine's Tax Laws*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Daniel D’Alessandro, Deputy Tax Policy Counsel for the Office of Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration in Support of LD 288 “*An Act to Make Technical Changes to Maine's Tax Laws*.”

This bill was drafted and submitted by the Department of Administrative and Financial Services, Maine Revenue Services. Each year, Maine Revenue Services and the Office of Tax Policy prepare one or more bills that propose changes to various existing provisions of Maine law; primarily to Title 36. The purpose of this bill is to make certain technical improvements and clarifications in Maine’s tax law consistent with current tax administration.

The Department has also submitted another bill: LD 68 - “*An Act to Amend the State Tax Laws*.” These bills differ in the nature of the Department’s recommendations. While LD 68, the “*Act to Amend*,” contains substantive changes, this bill contains technical, non-substantive amendments to Maine’s tax laws. These changes have no impact on the tax receipts included in recent baseline revenue forecasts by the Revenue Forecasting Committee.

The changes in this bill are designed to improve the clarity and administration of the current law. This includes changes to clarify statutory

language consistent with ongoing administrative practice, removing and replacing gendered language, improving and updating syntax and grammar, harmonizing certain changes made by the Legislature last session, repealing expired provisions, and making other technical and grammatical changes to improve existing statutory language.

You should also have a chart we have prepared that breaks down each provision of the bill, including a proposed amendment, and matches it with the corresponding paragraph from the bill's summary section. This side-by-side chart provides a brief explanation of each provision of the bill.

The proposed amendment would remove Section B-2 of the bill. Section B-2 would have removed certain provisions of Maine sales tax law regarding the sale and leaseback of machinery and equipment. Potential unintended consequences with this change have been raised and we would ask the Committee to remove the provision.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions. I can briefly go through the side-by-side chart now, take questions on selected provisions, or wait to address any questions you might have at the Work Session.