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Testimony of Rep. David Boyer introducing
LD 856, An Act to Phase Out the Income Tax
Before the Joint Standing Committee on Taxation
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Senator Grohoski, Representative Cloutier, and esteemed members of the Committee on Taxation, my name is Rep. David Boyer, and I am proud to present LD 856, An Act to Phase Out the Income Tax. LD 856 would phase out Maine's income tax over the next five years while proportionally cutting state spending.

Maine has a proud tradition of fiscal responsibility, as enshrined in our state constitution, which mandates a balanced budget. This discipline is reflected in our Budget Stabilization Fund, which reached a record high of over \$900 million in 2024. Yet, Mainers shoulder a heavy tax load: state and local tax collections reach \$6,757 per capita, above the national average, according to the Tax Foundation. Our effective property tax rate also exceeds the norm. These burdens discourage businesses and individuals from choosing Maine as a place to live, work, or invest.

The national conversation has shifted toward slashing inefficiencies—waste, fraud, and abuse—that inflate government budgets. This bill taps into that spirit. Phasing out Maine's income tax over five years could unleash economic potential. According to a study from the Mercatus Center at George Mason University, from 2010 to 2020, the 10 lowest-taxed states saw GDP growth averaging 2.3% annually, outpacing the 1.7% of the 10 highest-taxed states. Lower taxes could make Maine a magnet for investment and talent, mirroring successes elsewhere.

Of course, reducing income tax revenue requires proportional spending cuts to maintain our balanced budget. This naturally raises concerns about the impact on essential services such as education, healthcare, and infrastructure. To address this, I propose pairing this bill with zero-based budgeting, which would require every agency to justify its costs from scratch each year.

This isn't about slashing blindly—it's about rooting out waste (like outdated programs), fraud (like improper payments), and abuse (like bloated administrative costs). Government efficiency ensures taxpayer dollars fund only what's essential—education, healthcare, infrastructure.

Maine can be a trailblazer, echoing the national push to make government leaner and more accountable. This bill isn't just a tax cut; it's a statement: we trust Mainers to keep more of their hard-earned money, and we demand a state government that operates with precision and purpose.

LD 856 represents a forward-thinking opportunity to alleviate Maine's high tax burden, boost our economy, and enhance fiscal efficiency. I respectfully urge the committee to support this bill for the betterment of our state and its people.