



March 26th, 2025

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation;

I join you today on behalf of the Maine Women's Lobby. For over forty years, the Maine Women's Lobby has worked to build gender justice in Maine through legislative advocacy and systems change.

We are here today in support of LD 1047 "An Act to Impose an Additional Tax on Certain Unearned Income" and we thank Representative Lookner for sponsoring this important bill.

Most women in Maine earn their income through their work, and as we know, that work still earns approximately 80 cents on the dollar as compared with white men. In fact, just yesterday the Governor declared Equal Pay Day, acknowledging that women in Maine still earn approximately \$9,000 less per year on average than men¹ as a result of occupational segregation, unpaid care work, and lower compensation in traditionally women's roles.

That work - even at a discrimination discount - is still taxed at a higher rate than people of extreme wealth, who earn their money through assets and capital gains.

From the National Women's Law Center:

The tax code amplifies gender and racial wealth disparities by preferencing income from wealth over income from work. The tax code's preference for income from wealth over income from work allows the very wealthiest in our society—disproportionately white men—to pay lower effective tax rates than what workers—disproportionately women of color—pay on their wages. One example is the taxation of "capital gains"—or the increase in value of a capital asset like a share of stock or real property. The capital gains tax has a lower rate than income from work, does not apply until an asset is sold or transferred, and gives a pass to inherited assets.

Tax fairness is a gendered issue on both sides of the equation: Women earn less than men, but currently see a larger proportion of their income taxed, and programs that support women - child care, family planning health care, domestic and sexual violence services- are continually underfunded by the state.

This session, you will also hear us advocate for our highest priorities for gender equity in the 132nd Legislature:

¹ US Census Bureau. (2023). Earnings in the Past Twelve Months. Retrieved from [https://data.census.gov/table/ACSST1Y2023.S2001?q=S2001:+Earnings+in+the+Past+12+Months+\(in+2023+Inflation-Adjusted+Dollars\)&g=040XX00US23&moe=false](https://data.census.gov/table/ACSST1Y2023.S2001?q=S2001:+Earnings+in+the+Past+12+Months+(in+2023+Inflation-Adjusted+Dollars)&g=040XX00US23&moe=false)



- Closing the Victims of Crime Act gap due to lost federal revenue for domestic and sexual violence services, and improving the wages for this women-dominated workforce.
- Ensuring wage stability - and therefore, affordable access - for the childcare and direct care industries.
- Supporting family planning services, especially in the face of a likely end to federal Title X funding.
- Supporting maternal health through doula, birthing, and lactation support in MaineCare.

These are the core services that support women. They have been left out, overlooked, or underfunded in budgets for decades, and they merit our investment.

By assessing an additional 4% surcharge on annual capital gains income over \$250,000 for individuals and \$500,000 for married couples, LD 1047 helps level the tax playing field by levying a tax on those who can most afford it. At the same time, it ensures the budget stability to invest in those areas that have historically been left behind.

We hope you will vote 'ought to pass' on LD 1047. Thank you for your time, and I'm happy to answer any questions you may have.

Destie Hohman Sprague
Maine Women's Lobby