



Maine Women's Lobby

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 1089 "An Act to Permanently Fund 55 Percent of the State's Share of Education by Establishing a Tax on Incomes of More than \$1,000,000" and we thank Representative Golek for sponsoring this important bill.

Yesterday, Governor Janet Mills proclaimed March 25, 2025 National Equal Pay Day in Maine, symbolizing how far into the year women in the United States must have worked to earn what men had earned by December 31, 2024. According to the United States Census Bureau, **the difference between median earnings for men and women in Maine who worked full-time, year-round in 2023 was nearly \$9,000.**¹

Income taxes are among the most equitable ways to raise money for state operations. There are many reasons for that, but in large part it's because of the persistent gender disparities we see in income – further exacerbated by racial disparities.

By accounting for ability to pay, the income tax has a less harmful effect on lower income Mainers, and it works best when it truly accounts for the ability to pay, and right now, **our tax code is treating Mainers earning \$60,000 the same way it treats Mainers earning \$600,000 per year.**

Cuts to our income tax rates in the last decade, and the elimination of the top income tax brackets, have meant that Maine has seen a drop in revenue of around \$400,000 per year. A recent paper by the Brookings Institution states:

*Several empirical studies have attempted to quantify the various effects noted above in different ways and used different models, yet mostly come to the same conclusion: Long-persisting tax cuts financed by higher deficits are likely to reduce, not increase, national income in the long term.*⁵

The impact of that drain on state resources was keenly seen and felt in the Governor's proposed budget this winter. **Due to foregone resources that Maine would have had 15 years ago, the budget could not even keep its promises to Mainers.** Cost of living

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)



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improvements and wage stipends for direct care and child care workers that this body passed just a year earlier were left behind. This is work that addresses gender equity in two ways: care work is the key to mothers' entry into the workforce, and care workers are almost entirely underpaid and undervalued women. Family planning funding, essential to women's health and our public health infrastructure, passed the Legislature but died on the last day of the session, and wasn't included in the proposed budget. Other proposals essential to women's health and equity, such as closing the Victims of Crime Act gap in federal funding, are currently before you.

An unfair tax structure is simply not fair, and it amounts to a double hit on middle-wage workers. The same people who are struggling to afford housing, childcare, or taking time off to be with their dying parents are paying the same rates as people making three or four times the income.

An income tax improvement like that offered in LD 1089 has a two-fold benefit of improving the overall fairness of the tax code, and also restoring the State resources that help us build the infrastructure our families need to thrive.

We hope you will vote 'ought to pass' on LD 1089. Thank you for your time, and I'm happy to answer any questions you may have.

Destie Hohman Sprague
Maine Women's Lobby