

Testimony of Linda Caprara
On Behalf of the Maine State Chamber of Commerce
Neither For Nor Against of L.D. 1082, "An Act to Invest in Maine's Families and Workforce by
Amending the Real Estate Transfer Tax"

April 3, 2025

Good Afternoon, Sen. Grohoski, Rep. Cloutier and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara, I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are testifying neither for nor against L.D. 1082, "An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax"

We are testifying neither-for-nor-against this legislation. Housing has been a major policy priority for the Chamber this session and we strongly support efforts to expand housing production through a comprehensive effort to lower the costs of building housing units, reducing regulatory barriers to building housing projects, and prioritizing resources to supporting affordable housing projects that are reliant on state funding. However, we do not support the increase in the real estate transfer tax which is outlined in this bill and would encourage the Committee to consider other methods to create stable funding for affordable housing. Even though the increase is on high value homes, it is still a tax increase and that money will be diverted from economic activity to state funding and require administrative costs. As proposed, we understand a portion of the real estate transfer tax goes to the Maine State Housing Authority for the Housing Opportunities for Maine Fund, the Housing First Fund, the affordable housing income tax credit and finally a portion to the State's General Fund. Again, we do believe housing should be prioritized and would recommend that transfers to these funds ought to be prioritized within existing state revenues.

However, if this committee is going to proceed down this route and increase taxes to fund affordable housing, we would encourage you to assign the revenue generated by this increase to a dedicated account and establish it as an Other Special Revenue account to protect this money from future legislative financial sweeps. This will ensure that any revenue received will go directly to supporting affordable housing development in the state.

I would be happy to answer any questions.