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President of the Senate

THE MAINE SENATE
132nd Legislature

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**Testimony of Senate President Mattie Daughtry introducing
LD 1294, “An Act to Expand the Dependent Exemption Tax Credit”
Before the Joint Standing Committee on Taxation**

Senator Grohoski, Representative Cloutier, and Esteemed Members of the Joint Standing Committee on Taxation, my name is Mattie Daughtry. I serve as President of the Maine Senate and proudly represent Senate District 23, including Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth.

I am honored to present LD 1294, “An Act to Expand the Dependent Exemption Tax Credit,” a bill designed to provide meaningful support to Maine families raising children in today’s economic landscape.

Across the state, families are doing everything they can to keep up with the rising cost of day-to-day life. For those with children, that means paying for child care—which can often cost more than a mortgage—keeping up with school-related expenses like backpacks, notebooks, field trip fees, and sports gear, managing medical and dental co-pays, and putting healthy food on the table every night. It’s buying diapers and formula, replacing coats and shoes every season as little ones grow, and budgeting for summer camps or after-school programs that let parents work a full day.

LD 1294 acknowledges that reality. It proposes increasing the current Dependent Exemption Tax Credit to \$600 for children under age six, recognizing that these early years are the most expensive and resource-intensive for families. The credit remains at \$300 for dependents aged six and older. The bill also updates the income phase-out thresholds to make the credit fairer and more focused on ensuring that more working- and middle-class families receive the support they deserve.

This proposal is designed to be revenue neutral. In a time of budget constraints and difficult budgeting decisions, this kind of fiscally responsible policy change makes sense. I see this as a focused, thoughtful adjustment that responds to the lived experiences of parents and caregivers across Maine. Under this proposal, an estimated 174,000 Maine households will receive a tax cut. This is 555,900 people, including 188,700 children, in families with a tax cut¹.

At the end of the day, this bill is about values. It's about recognizing the hard work and sacrifices that parents make every day—and ensuring that our tax code reflects that reality. When we support families, we support the foundation of our communities and our future workforce.

You will hear from advocates about why the economics of this tax proposal works. You will hear from families about what it will mean to them. I respectfully urge you to support LD 1294. It’s a smart, balanced step toward making life just a little more manageable for Maine’s families—and doing so in a way that’s sustainable and fair.

Thank you for your time, and I’d be happy to answer any questions.

¹ Estimate from the nonpartisan Institute for Tax and Economic Policy, iTEP, April 2025