



maineaeYC

Maine Association for the
Education of Young Children

Testimony of Heather Marden
On behalf of the Maine Association for the Education of Young Children

**Testimony in Support of LD 1294: An Act to Expand the Dependent
Exemption Tax Credit**

4/8/025

MaineAEYC promotes high-quality early learning for each and every child, birth through age 8, by connecting practice, policy, and research. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children.

Senator Grohoski, Representative Cloutier, and distinguished members of the Committee on Taxation, on behalf of the Maine Association for the Education of Young Children (MaineAEYC), I am pleased to offer our strong support for LD 1294, "An Act to Expand the Dependent Exemption Tax Credit." This important piece of legislation will provide essential financial relief to families with young children, strengthening Maine's commitment to supporting the well-being and future success of its youngest residents.

At MaineAEYC, we are dedicated to promoting the healthy development and education of young children. One of the greatest challenges Maine families face today is the rising cost of child care. In Maine, families are paying an average of **over \$11,000 per year** for infant care in licensed child care programs. This significant financial burden often forces families to make difficult decisions about how to balance child care, household needs, and work obligations.

The Dependent Exemption Tax Credit (DETC) has been an important tool for supporting families with children, but it has not fully addressed the needs of those who need it most. LD 1294 presents a critical opportunity to better target low- and middle-income families by increasing the credit, particularly for families with young children. Doubling the credit and providing an additional \$300 for each dependent under the age of six will directly help families with the highest child care costs, giving them more financial flexibility and access to the resources they need to thrive.

This expansion of the DETC will significantly reduce the financial strain on families, without requiring additional state spending. By building on the improvements made to the DETC in the previous legislative session, LD 1294 takes a fiscally responsible approach to addressing the challenges faced by families with young children in Maine.

Expanding the DETC is not only an investment in Maine's children and families today, but also a long-term investment in the future success of the state. Ensuring that children have access to quality child care and early education is key to their development and future well-being. We

believe that this legislation will make a meaningful difference in the lives of Maine's children and families.

We urge you to support LD 1294 and continue to prioritize the needs of Maine's working families and children. By expanding the Dependent Exemption Tax Credit, we are taking a crucial step in helping to build a stronger, more resilient Maine.

Thank you for your time and consideration.