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132nd MAINE SENATE

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LD 1313 "An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to Be Eligible for Certain Sales Tax Exemptions and Refunds"
Joint Standing Committee on Taxation
April 9, 2025

Senator Grohoski, Representative Cloutier and members of the Taxation Committee:

My name is Brad Farrin and I represent Senate District 3. I'm before you today to introduce LD 1313, "An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to Be Eligible for Certain Sales Tax Exemptions and Refunds."

This bill aims to provide much-needed support to Maine's timber harvesting and hauling businesses. For the past few years, our logging and hauling contractors have faced numerous challenges. We've lost several major mills in the past decade, including two in the last five years. On top of that, the cost of equipment, parts, and labor has risen sharply—by 40% over the last five years; and tariffs have driven up equipment costs by another 25%.

In addition, federal regulations have pushed the price of new heavy-duty trucks up significantly over the past decade. While these changes have helped the environment, they've also made it harder for our contractors to stay afloat in an already competitive industry with very slim profit margins.

LD 1313 addresses this issue by exempting heavy-duty trucks, trailers, and related parts from the sales tax. This simple change will help contractors lower their operating costs, improve profitability, and stay competitive with neighboring states that already have these exemptions in place. It will also encourage investment in newer, more efficient equipment, which is not only good for business but also for the environment as it reduces emissions and promotes responsible forest management.

While the state has exempted logging equipment from sales tax in the past, transportation vehicles—crucial to the timber industry—were left out. These vehicles are as essential as the machinery used in farming or manufacturing, and treating them the same would help level the playing field.

This bill is important for supporting local economies, protecting jobs in rural areas, and ensuring the long-term health of Maine's forest products industry. I urge you to support LD 1313, and I appreciate your time and consideration.

Thank you.

*Transportation Committee * Government Oversight Committee
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