

Good afternoon, Senator Grohoski, Representative Cloutier and members of the taxation committee. My name is Kurt Babineau, a second-generation logger and trucker from Enfield, 30 miles north of Bangor. My company employs 8 full-time staff members, all of whom receive full benefits. I am here today to testify in favor of LD 1313.

My colleagues and I work diligently every day to ensure the sustainability of our business. As you all know, this industry has been devastated by the closure of several pulp mills. This has resulted in many companies going out of business or dramatically scaling back operations. This is especially devastating to the rural communities of Maine which rely heavily upon our industry for employment.

Inflation has hit every aspect of my business, from the cost of equipment, parts, labor, and insurance. As loggers and truckers, we do not have the ability to pass added cost on to the mills we sell our wood to, we must accept the current prices offered. We have an aged workforce in this industry, averaging somewhere around 55 to 60 years old.

This is just a partial summary of the challenges we are facing. Given my age and experience, coupled with a lifetime of equity has kept me in business. But I have grave concerns for my colleagues who are younger than I. This is why I am advocating for this bill, I believe it is of vital importance to remove sales tax on trucks and trailers to spur investment and to keep the safest and most efficient trucks on our highways.

I would like to share with you today the actual cost of a tractor-trailer which I purchased in 2023, and the tax implications incurred. I have always said that trucking is a necessary evil,

but it is vital to my logging operation to ensure the timely movement of wood products and comes with great cost and public liability.

Before I run through the cost of purchasing this setup, I just want to note that this truck averages road fuel taxes of over \$10,000/year. The insurance and registration for this past year was \$14,170.00

Thank you for your time, I would be happy to answer any questions you may have.

Breakdown of the costs of purchasing a logging truck and trailer

2023 Peterbilt Tractor	\$ 172,972.00
Federal Excise Tax	\$ 20,756.00
Maine Sales Tax	\$ 9,513.00
Title Fee	\$ <u>433.00</u>
Total Cost	\$ 203,674.00
2023 Stairs Log Trailer	\$ 80,500.00
Federal Excise Tax	\$ 9,660.00
Maine Sales Tax	\$ <u>4,427.00</u>
Total Cost	\$ 94,587.00
Additional Setup Equipment	
Serco log loader	\$ 66,000.00
Wet System	\$ 12,000.00
Federal Excise Tax	\$ 7,920.00
Maine Sales Tax	\$ <u>3,630.00</u>
Total Cost	\$ 89,550.00
Grand Total	\$ 387,811.00
Total Tax	\$ 56,339.00