

**TESTIMONY OF
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DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *April 9, 2025*

LD 1355 – *“Resolve, to Require the Office of Tax Policy to Study Taxation of
Renewable Energy Infrastructure”*

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon. My name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Against LD 1355, *“Resolve, to Require the Office of Tax Policy to Study Taxation of Renewable Energy Infrastructure.”*

The Administration opposes this bill because the Resolve’s topics of the history of taxation of renewable energy infrastructure, property tax valuation of such infrastructure, municipal assessment practice, and viewpoints of energy industry stakeholders have been studied numerous times in recent years. In 2019, pursuant to Public Law 2019, ch. 440, MRS convened a group of stakeholders that examined issues around the valuation and assessment of certain renewable energy facilities that would qualify for the newly enacted property tax exemption. The report and findings of that stakeholder group was provided to this committee on December 1, 2019. In addition, there was a stakeholder group convened in 2021 to explore the idea of uniformity in assessments for energy efficiency improvements, namely heat pumps. That report was provided to this committee on December 1, 2021. Likewise, in 2024 and pursuant to Public Law 2023, ch. 682, MRS met with stakeholders, including municipal assessors and members of the solar industry, to

examine issues around establishing a general method of valuation for commercial solar arrays. The report and findings of that group were just recently submitted to this committee on January 1, 2025.

The Study proposed by LD 1355 covers too much of the ground that has already been covered, and reported, and which is available to this Committee and the Legislature as a whole. The reports are there – and the Legislature can proceed or not proceed to consider policy change enacted through legislation. Another Study to cover the same ground is not necessary.

If this Committee nonetheless intends to move forward in support the bill, then we would suggest the bill be amended to provide that the Governor's Energy Office take the lead and Maine Revenue Services' Office of Tax Policy be consulted through the process.

The Administration looks forward to working with the Committee on the bill; representatives from MRS' will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.