



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

JANET T. MILLS
GOVERNOR

MICHAEL DUGUAY
COMMISSIONER

April 24, 2025
Testimony of Michael Duguay
LD 1664 An Act to Repeal the Dirigo Business Incentive Program

Senator Curry, Representative Gere and Members of the Committee on Housing and Economic Development, my name is Mike Duguay and I am the Commissioner of the Department of Economic and Community Development. I am writing to express my strong opposition to any efforts aimed at repealing the Dirigo Business Incentive Program.

For twenty years, the Pine Tree Development Zone Program (PTDZ) was the major business incentive program in the state. It had its successes and was a driver for some Maine business and regional growth, but it was designed for a different economic time. In light of our changing economy, our strategic economic development goals, and legislative interest in modernizing our incentive programs, the department delivered on the new approach many asked for.

The Dirigo Business Incentive Program was established to address two critical challenges facing Maine's economy: the need for a skilled workforce and increased capital investment. By offering tax credits for businesses that invest in employee training and capital improvements, the program directly supports sectors vital to our state's economic health, including agriculture, manufacturing, and technology.

Repealing this program would undermine the progress we've made in modernizing our economic development strategies. The Dirigo Program replaced the Pine Tree Development Zone Program, shifting from an exclusive focus on creating jobs to fostering sustainable growth through workforce development and infrastructure investment. The workforce development piece is what the legislature asked for and what the people of Maine need.



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The Dirigo program stands out among incentive programs nationally for its direct investment in upskilling Maine people.

Tanbark Molded Fiber Products is a rapidly growing producer of high-end sustainable packaging made from Maine's heritage pulp and paper industry. Tanbark CEO Melissa LaCasse stated *"Maine's business incentive program is a key reason that Tanbark has been able to create ten new jobs here in Maine – and we're still growing. The Dirigo Business Incentive Program will help innovative companies like Tanbark to create jobs in Maine and help us train the workers we need for continued growth."*

Eliminating the Dirigo Business Incentive Program would not only stall the momentum we've built but also place Maine at a competitive disadvantage compared to other states actively working to attract and retain businesses.

At a time when businesses are facing incredible instability, Maine's Dirigo Business Incentive Program is a secure program that both business and workers can rely on. After years in the making, ending this program a few months into its existence would pile onto the uncertainty many are feeling about the global economy and be a devastating signal to businesses and workers that Maine is not the place to invest, grow, or work.

I urge you to consider the long-term economic implications of repealing this program and to support initiatives that continue to strengthen Maine's economy.