



HOUSE OF REPRESENTATIVES

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Senator Tipping, Representative Roeder, distinguished members of the Committee on Labor, I am Representative Joshua Morris. I am here today to present **L.D. 406, "An Act to Repeal the Laws Providing for Paid Family and Medical Leave and to Reimburse Taxpayers."**

Maine citizens currently shoulder one of the highest tax burdens in the nation. As of January 1st, with the implementation of this new payroll tax, that burden has gotten higher. This tax took effect during the height of winter when Mainers need money to heat their homes. Additionally, in recent years people have seen inflation cause the cost of living to rise, as life essentials, from groceries, utilities, and gas prices have gotten higher.

That is why I have proposed this bill as an emergency. If passed, it will immediately repeal the current paid FMLA program and send the money back to the taxpayers. This will put money back in people's pockets immediately as well as prevent future tax increases to pay for the program based on utilization in future years.

The rollout of this new tax has been clumsy. Businesses have reported problems with accessing the portal as well as being able to put in all the information for their business. Unfortunately, this is nothing new for the same department of Labor that failed so many Maine citizens seeking unemployment relief during COVID.

On that same subject, despite having more than a year to write the rules so those employers that have a private plan could receive an exception, as of January 1st, all businesses are required to pay this new tax. No answers have been given whether those businesses that ultimately receive an exception will have that money returned. This is unacceptable that money could have been used by employers for other benefits for their employees, instead it is tied up by an incompetent bureaucracy.

This new tax has also caused employers to cancel other policies and benefits that were in place to help their employees. One example is businesses that have cancelled short term disability policies to pay for this new tax, whose benefits will not be paid out for a year and half at the earliest. This means employees who would have had access to leave will not have it now to pay for a new program that we are still not sure of the total costs.

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The cost of this program has been underestimated by the proponents. No actuary study was done prior to the passage of this law. The definition of family as described in this law is very broad, encompassing anyone someone may have a familial relationship with. This goes beyond what is traditionally found in family leave programs. This will cause more demand and more expenses and require more money from taxpayers in future years.

Which brings me to the most problematic and unconstitutional part of the current law. This law cedes the power of taxation, which is designated to the legislature by the Maine Constitution, to a third-party administrator. Beginning in 2028, a third-party will be able to determine how much Maine workers and employers will have to pay in taxes to cover the costs of the program. This is a dangerous precedent and that is why we should repeal this tax.

It should also be noted that Maine workers and businesses in addition to paying their own share of the tax, they have been required to pay for state workers as well. If this tax is for such a benevolent program, then state workers should have to pay their fair share of the tax as well. It is not fair to expect the private sector and its workers to bear the entire burden of this program.

Maine people already pay among the highest taxes in the country. We have no idea what the true costs are and how much the tax could rise. State workers have been exempted from paying their fair share of this tax. I would encourage this committee to vote this bill ought to pass.

Thank you and I would be happy to answer any questions.

Joshua Morris
State Representative