

**Testimony of Linda Caprara**  
**on behalf of the Maine State Chamber of Commerce in opposition to L.D. 1857, "An Act to Expand Property Tax Relief for Veterans and Their Survivors and to Modify Certain Corporate Tax Expenditures."**  
**May 6, 2025**

Good Afternoon Sen. Grohoski, Rep. Cloutier, and members of the Joint Standing Committee on Taxation, my name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are here to testify in strong opposition to L.D. 1857, "An Act to Expand Property Tax Relief for Veterans and Their Survivors and to Modify Certain Corporate Tax Expenditures."

This bill attempts to provide property tax relief to veterans by eliminating or reducing tax credits for Maine businesses that are aimed at increasing investment in the State and growing Maine's economy.

Among other things, the bill proposes to repeal tax credits for investments made in qualified professional baseball facilities and for major business headquarters expansion. The bill would also reduce the value of the aggregate amount of tax credit certificates that the Finance Authority of Maine may authorize under the Seed Capital Tax Credit from \$15 million to \$10 million.

In 2017, the Major Business Headquarters Expansion credit was enacted by the Maine Legislature to encourage the location and expansion of major business headquarters in the state and to promote recruitment and training of employees for these facilities. Major expansion and or new companies locating to the state provide indirect benefits such as job creation, increasing the local tax base, increased business traffic for small businesses that supply goods and services to the major business headquarters and its employees. These investments also provide many other direct and indirect economic benefits to the State.

Last session, the Maine Legislature enacted an income tax credit directed at helping provide the necessary improvements to keep the home of the Sea Dogs in Portland. The Portland Sea Dogs have become an integral part of the Portland community since their establishment in 1994. They regularly engage with local schools, charities, and organizations, fostering a sense of community pride and unity. According to the 2023 Portland Sea Dogs Charitable Contributions Report, the Sea Dogs made donations to 870 organizations totaling \$447,409.30. The Sea Dogs contribute significantly to the local economy through job creation, tourism, and spending at local businesses. Their presence enhances the vitality of the area, attracting visitors and generating revenue for restaurants, hotels, and shops. Based on a 2021 study by the University of Maine, it was concluded that the Portland Sea Dogs overall annual economic contribution was estimated to be \$28 million in output, 447 full- and part-time jobs, and \$9.1 million in labor income.

Sudden rollbacks of established tax credits will do nothing but erode or undermine investor confidence in Maine's business environment. Businesses need consistent stable tax policy when making long-term

investment decisions. These tax credits help keep Maine businesses competitive, which is what we need especially in the global economy.

As we have testified before, if the intent of this legislation is to provide property tax relief, there are other methods to do so such as increasing the homestead exemption or property tax relief through credits. Eliminating well established tax credits only threaten Maine's economy.

We urge you to vote ought-not-to-pass on L.D. 1857. I would be happy to answer any questions.