



Mike Tipping
Senator, District 8

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Senator Grohoski, Representative Cloutier and colleagues on the Taxation Committee,

My name is Mike Tipping. I represent Senate District 8 in Penobscot County and I'm proud to present **LD 1857, An Act to Expand Property Tax Relief for Veterans and Their Survivors and to Modify Certain Corporate Tax Expenditures.**

Maine has the fourth highest percentage of our population that has served in the armed forces of any state in the country. Most Maine veterans are older, with the largest group having served during the Vietnam era. One third have a disability.

High and rising property taxes hit some veterans especially hard, leading to the awful prospect of older Mainers who have served our country losing their home and losing their independence.

That's why this committee has acted, passing property tax relief for veterans time and time again. We passed a unanimous bill during the last legislature and we did so again earlier this year.

We all feel good about those votes and the bills sail through the House and Senate – no one wants to vote against veterans – but they don't go into effect, because they aren't funded.

This bill is different from the previous bills we've heard on this issue. In addition to the language on veteran property tax relief, it also repeals or pares back a set of corporate-focused tax expenditures that are unneeded or underperforming. It allows us to better prioritize the tax incentives under our purview as a committee and make sure the things we most care about are given precedence.

Part B of this bill would eliminate some current tax expenditures, including:

The credit for professional baseball facilities we passed last year as a corporate handout to a single private equity firm that owns a baseball team in Portland.

The major business headquarters expansion credit, which only affects businesses with more than 5,000 employees and is duplicative of other credits already in Maine law.

The discounted rate on cigarette stamps for licensed distributors, a state subsidy on bulk purchases of cigarettes.

The refund on sales tax on purchases of parts and supplies for windjammers. This is a sales tax exemption on sails, rope, wood, rigging, varnishes and other items benefiting for-profit companies offering windjammer cruises.

It would also move forward a reduction in funding for the Seed Capital Tax Credit Program, reducing the amount available under this credit from \$15 million to \$10 million next year. Currently, the program is already scheduled to be reduced to \$5 million in 2027.

Many of these tax expenditures are available on top of other credits accessible to these businesses, including the near doubling of the former Pine Tree Zone and other related tax expenditures in the creation of the new Dirigo Business Incentives last year.

I submitted this bill after speaking with several veterans in my district who are tired of us saying we're working to support them but then not getting it done. It's time to better align our tax expenditures with our state priorities and put our money where our mouth is.

Thank you for your consideration of this bill.