

**Testimony of Linda Caprara on behalf
of the Maine State Chamber of Commerce in Support of
L.D. 1752, An Act to Exempt Broadband Equipment From Sales and Use Tax
May 14, 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 testifying in support of L.D. 1752, "An Act to Exempt Broadband Equipment From Sales and Use Tax."

This bill exempts the sale of broadband equipment to broadband service providers from the sales and use tax. We feel that exempting the sale of broadband equipment to broadband service providers is a simple straight-forward policy to lead to additional broadband equipment investment and lead to further economic growth. Currently, a total of 23 states provide a sales tax exemption for telecommunications equipment.

By reducing the tax burden on the very equipment needed to build out these networks—fiber-optic cables, routers, switches, and testing and maintenance tools—we can encourage more providers to invest in expanding and upgrading their services throughout Maine. Every dollar saved on sales tax can be redirected toward expanding coverage and improving quality. Capital investments made to increase access benefits the entire state not just the companies making the investment. Reducing the tax burden on the equipment needed to build out networks will only encourage *more* investment. Encouraging investment to expand or upgrade equipment can only lead to a more vibrant economy here in the state as more people connect to the internet and opportunity increases.

Broadband access is a key priority in Maine's 10-year economic development strategy which recommends the state develop its middle mile internet infrastructure to support businesses, institutions and public service. We should be encouraging investment in the infrastructure will help the State achieve that economic development goal and exempt this critical equipment from the state's sales and use tax.

Maine already has a huge issue trying to get internet service to underserved areas. Encouraging investment in these underserved and rural areas is especially important because infrastructure costs often times can be cost prohibitive to develop and to maintain. Dollars saved can be directed to even more expansions and building to bring more households online.

I urge the Committee to vote **Ought to Pass** on LD 1752 and help Maine close the digital divide once and for all.