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President of the Senate

THE MAINE SENATE
132nd Legislature

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Testimony in Support of
LD 1876, "An Act to Increase Use of State Tax Credits"
Before the Joint Standing Committee on Taxation
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Senator Grohoski, Representative Cloutier, and esteemed members of the Joint Standing Committee on Taxation, my name is Mattie Daughtry. I serve as President of the Maine Senate and proudly represent Senate District 23, including Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth. I'm pleased to join you today in support of LD 1876, and I want to thank Representative DeBrito for introducing this timely and important legislation.

In recent years, the Legislature has expanded a number of tax credits aimed at putting money back in the pockets of Maine people—especially those with low or moderate incomes. This session, I'm even working on legislation to expand some of the tax credits we have created for Maine families. But passing tax credits is only part of the job. If people don't know these credits exist—or if the systems we rely on to deliver them are too confusing, too costly, or too dependent on inconsistent private actors—then we aren't truly meeting the needs of the people we intended to help.

LD 1876 takes a comprehensive look at how we can move the needle on this issue. It recognizes that there isn't a single barrier to fix, but rather a set of structural issues that we must address together, across government and in partnership with the community.

The bill includes three essential components:

- First, it establishes a working group to examine how we can better leverage existing state and local government infrastructure to increase awareness and utilization of tax credits. Whether it's DHHS staff interacting with clients, municipal assessors working with property taxpayers, or lifting up DirectFile, we already have touchpoints with the very people these credits are meant to help. The challenge—and the opportunity—is to make government work smarter by using those existing structures to also connect Mainers with the tax relief they're eligible for.
- Second, the bill requires large, national tax preparation companies to report on how they train their staff to inform filers about state credits. It's a small but critical first step toward transparency. We've heard repeatedly that many paid preparers don't flag state-specific credits, and if they don't bring it up, filers don't know to ask. This helps us begin to hold those companies accountable.
- Third, the bill allocates direct funding to CASH Maine, a statewide network focused on helping low-income Mainers file their taxes and access every credit they've earned—at no cost. This work is vital, especially for people who may not be required to file a federal return but are still eligible for Maine-only credits.

None of these pieces alone solves the problem—but together, they give us a coordinated and data-informed way to improve access and equity in our tax system.

We should be regularly tracking utilization rates, identifying who is eligible but not claiming benefits, and doing everything we can to make the system easy to navigate. Every Mainer should know what credits they qualify for—or know someone who can point them in the right direction.

LD 1876 is about follow-through. It ensures that the relief we've enacted on paper actually reaches the people we intended it to help. I urge the Committee to support this important bill, and I'm happy to answer any questions. Thank you.

President of the Senate, Senate District 23

Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth