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Testimony of Rep. Flavia DeBrito introducing
LD 1876, An Act to Increase Use of State Tax Credits
Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Cloutier and esteemed members of the Joint Standing Committee on Taxation, my name is Flavia DeBrito, and I proudly represent House District 64.

I am honored to present **LD 1876, An Act to Increase Use of State Tax Credits**, which aims to strengthen access to tax relief and ensure the systems delivering it work effectively for Maine people.

This bill is rooted in a simple but urgent idea: Mainers deserve to receive the full benefits that the Legislature has created to support them—such as the Property Tax Fairness Credit, the Earned Income Tax Credit or the Sales Tax Fairness Credit. Too often, people miss out because the system is too confusing, too costly or too dependent on private companies that don't consistently prioritize informing their customers about the credits they deserve.

Before joining the Legislature, I worked with Maine Equal Justice and the CASH Maine Coalition during tax season to help Mainers access these credits. I will never forget one woman I worked with—a grandmother raising her grandchildren on a fixed income—who cried when she learned she qualified for the Child Tax Credit and would be receiving a refund she hadn't thought possible. That experience, and so many like it, showed me that even the most meaningful tax relief efforts passed by the Legislature can fall short if Mainers can't easily claim what they are eligible for. Although I no longer work in that role, those lessons have stayed with me.

LD 1876 takes a practical, three-part approach to strengthening access to tax relief:

- First, it creates a working group charged with identifying strategies to increase awareness and utilization of Maine's tax credits. This includes surfacing current practices across state and local government—such as when DHHS or municipalities already share tax credit information in the course of providing other services—and finding ways to scale those efforts. It also tasks the group with reviewing how to promote tools like Direct File, improve the accessibility of the Maine Tax Portal, better utilize the role of the Taxpayer Advocate and partner with

municipalities in outreach efforts. These are common-sense, systemic improvements that will help more Mainers claim what they're eligible for.

- Second, the bill requires large, commercial tax preparation firms—what we often call “big box tax preparers”—to report annually on how they train their staff to inform clients about state tax credits. A 2020 legislative working group found that many of these companies fail to screen clients for key state-level benefits or use software that simply doesn't account for them. If a Mainer sits down with a paid preparer and isn't told they're eligible for a state credit, they're unlikely to ask about something they've never heard of. This transparency requirement is an important first step in understanding and closing that gap.

- Third, the bill allocates funding to support CA\$H Maine and its network of trusted, IRS-certified tax preparers. Unlike big commercial firms, CA\$H Maine is focused specifically on helping low-income Mainers claim the full range of federal and state tax credits they're eligible for. CA\$H Maine has reported often assisting people who were previously told by a preparer they didn't qualify, or couldn't afford to file for a refund at all because the fee would have wiped out their credit. This funding will help CA\$H Maine to continue offering free, high-quality tax preparation and financial education across the state.

LD 1876 is about making sure our tax system—and the relief programs we've already passed—work better for Maine people. I respectfully ask for your support and would be happy to answer any questions.