

**LD 1951, "An Act to Promote Food Processing and  
Manufacturing Facility Expansion and Create Jobs"**

**Joint Standing Committee on Taxation**  
**May 16, 2025**

Senator Grohoski, Representative Cloutier and Distinguished Members of the Joint Standing Committee on Taxation:

I am Trey Stewart. I am a resident of Presque Isle; and I represent the people of Senate District 2, which comprises dozens of communities in both Aroostook and Penobscot Counties. I am here today to present a bill that I am very proud of – and you should be also – L.D. 1951, "An Act to Promote Food Processing and Manufacturing Facility Expansion and Create Jobs."

Serving in the Legislature is a tremendous honor, but that doesn't mean it isn't without its challenges; and I know we have all been frustrated from time to time about the process or the politics in Augusta. More importantly, however, there are times when the work here can be so gratifying because of what we are able to accomplish for our collective constituents. I want to tell you about one such accomplishment I think we all can take pride in.

In 2019 this committee reported out legislation that I was proud to co-sponsor, allowing a food production business that qualifies – and qualifying is not easy – for a refundable tax credit equal to 1.8% of the amount of a qualified investment each tax year for 20 years.

Six years later, Penobscot McCrum is employing 145 people in the northern Maine town of Washburn, processing Aroostook County potatoes and helping to revitalize both the town and the County in the process. This facility is owned and operated by a Maine family, and Jay McCrum is here with us today. Jay, along with his family, has invested approximately \$110 million in the facility, turning out world class fries and other products right here in Maine instead of shipping our prized potatoes off to another state for processing, like Idaho. That is a sad fact. We need more processing capacity to keep the value of these products here in Maine. The Maine Potato Board is here with us today and they can elaborate.

So to say that the statute we enacted was a success is a huge understatement; and everybody in the Legislature deserves credit, along with the Governor.

We now have an opportunity to duplicate that success with another brand new, state-of-the-art potato processing facility in Limestone, on the former Loring Air Force Base, where the Sargent family is constructing a \$65 million, 80,000 square foot kettle chip factory. The Taste of Maine Potato Chip

Company, owned and operated by the Sargent family of Presque Isle, plans to process a total of 1,500 acres of County potatoes initially and eventually as many as 3,000 acres of potatoes. The facility will employ at least 40 full-time workers at the outset and eventually many, many more than that. We see this very much in line with the growth and success of the McCrum facility in Washburn.

This is an incredible return on investment for the State, but our experience has shown that the law needs some tweaking to allow for the tax credits to be realized. In fact, to date, no credits have been issued. It hasn't cost the state a dime. So, we are here today to respectfully ask the following changes be incorporated into the law, through this legislation, to allow for some improvements in statute:

1. Remove the requirement that an applicant's headquarters are and have been located in Maine for the past five years. The Taste of Maine Potato Chip Company is new, so this provision would have excluded them from being qualified.

2. Our bill requires that a company employ or will employ within 12 months of the start-up of the facility at least 40 full-time employees. Current law requires that an applicant employ at least 40 full-time employees at start-up. Penobscot McCrum has struggled since the first year they started with entry level workers. There is a lot of turnover in the first year. Once they can get the employee vested and they are eligible for benefits after the first year, they tend to stay; but the first twelve months is a challenge and that is not unique to the food processing industry.

3. Our bill increases the total value of certificates of approval from \$100,000,000 to \$200,000,000 of qualified investment. This is not the total cost to the State! And we have someone here who can explain that it is a fraction of that amount. It also increases the cap on an individual certificate of approval from \$85,000,000 to \$100,000,000 of qualified investment.

4. The bill increases the amount of the credit from 1.8% of the certified applicant's qualified investment to 2%.

5. Finally, we hope to remove language that a credit is not allowed for any tax year following two consecutive tax years during which a certified applicant did not have between \$5,500,000 and \$12,000,000 in ordinary business income. This provision in law has proven to be a bit of a head-scratcher, as growth has created an issue with this requirement. To put a company's revenue in a particular range for 20 years creates challenges on how you grow and run your business. I don't believe any other tax credit that has been passed by the Legislature has income limitations for this reason.

These are two Maine families that are investing back into Maine. They don't attract much, if any, investment from investors outside of Maine, mostly due to the cost of business in Maine, including, but not limited to, energy costs that are being charged to industry businesses. We have an opportunity to help here.

Thank you for your consideration of this important legislation. It means a great deal to me and my constituents, and it would be a huge shot in the arm to Aroostook County.