



STATE OF MAINE  
GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE  
181 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0181

Testimony Neither For Nor Against

**L.D. 2116, An Act to Make Permanent the Affordable Housing Income Tax Credit**

January 21, 2026

Senator Grohoski, Representative Sayre, and distinguished members of the Joint Standing Committee on Taxation, my name is Greg Payne and I serve as the Senior Advisor on Housing Policy in the Governor's Office of Policy Innovation and the Future. I am here today to offer testimony neither for nor against **L.D. 2116, An Act to Make Permanent the Affordable Housing Income Tax Credit**.

When the Maine Affordable Housing Tax Credit was passed by the Legislature and signed into law by Governor Mills in 2020, it became the single largest affordable housing program in Maine history. Since then, the credit has been used successfully to create or preserve nearly 1,000 affordable homes in communities across our state. It has become a proven tool for addressing the housing affordability challenges affecting Maine people and our economy.

Given the information made available by MaineHousing about each and every dollar allocated through the Maine Affordable Housing Tax Credit Program in its first six years, and the number of homes it has created or preserved, the Administration considers the continuation of this program to be critical to our state's economic future. While we do not, as a policy matter, generally support the elimination of sunset dates for tax expenditures, we do strongly support the extension of the sunset date for this program from December 31, 2028 to December 31, 2036. State policymakers will have the opportunity to evaluate the continued need for this credit in the years leading up to 2036.

We are grateful to our many partners on the ground who have made this program so successful, including MaineHousing, Genesis Community Loan Fund, and the developers and community organizations who undertake the challenging work of building, rehabilitating and operating the affordable homes that Maine people need.

Thank you for your consideration of our testimony. I would be happy to answer any questions.