

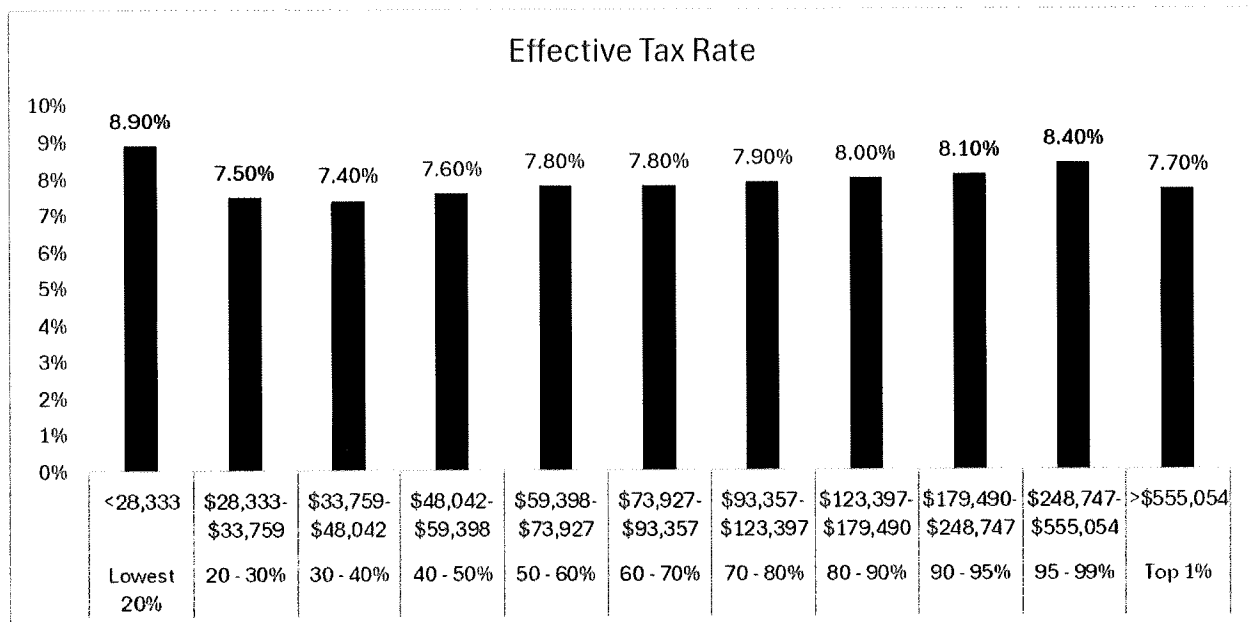
Testimony in Support of LD 2078, An Act to Establish the Electricity Cost Fairness Refundable Tax Credit

January 21, 2026

Sen. Grohoski, Rep. Sayre, and members of the Taxation Committee, my name is Maura Pillsbury and I am a tax policy analyst at Maine Center for Economic Policy. We are submitting this testimony in support of LD 2078.

This bill would create a new refundable tax credit intended to offset the rising cost of electricity bills. The refundability feature of this policy is important because it ensures lower income Mainers with low or no tax liability will still receive the benefit of the credit.

MECEP supports making Maine's tax code more progressive. Currently, Mainers with low and middle income pay a greater percentage of their income in taxes than those at the top. This is fundamentally unfair.



Source: Maine State Tax Expenditure Report, 2026-2027

Cuts to Maine's social safety net made by Congress have put health care and food assistance out of reach for many Mainers. A tax credit like this will benefit a broad swath of Mainers with lower incomes, unlike conformity provisions in HR 1 that will provide few working Mainers any benefit and give higher benefits to higher earners.

Last session, this Committee passed measures to raise revenue from the wealthiest Mainers and big corporations. Those funds could be used to fund initiatives like LD 2078,



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providing much needed support to Mainers who are struggling with the rising costs of electricity and other essentials.

We recommend the Committee amend the bill to tie the additional qualifying amount for families with children to Maine's Dependent Exemption Tax Credit, rather than the federal Child Tax Credit, so policy changes at the federal level will not impact who receive this additional bump, but rather it will be tied to decisions Maine makes about who receives its own tax credit.

Thank you for your time. I would be happy to answer any questions.

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