



MAINE AFL-CIO

A Union of Unions Standing for Maine Workers

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**Testimony of Maine AFL-CIO Campaigns Director Arthur Phillips on Taxation in LD 2212
An Act Making Unified Supplemental Appropriations and Allocations for the Expenditures
of State Government, General Fund and Other Funds, and Changing Certain Provisions of
the Law Necessary to the Proper Operations of State Government for the Fiscal Years
Ending June 30, 2026 and June 30, 2027**

Senator Rotundo, Representative Gattine, members of the Committee on Appropriations and Financial Affairs, and Senator Grohoski, Representative Sayre, members of the Committee on Taxation, my name is Arthur Phillips. I'm the Campaigns Director of the Maine AFL-CIO, which represents 40,000 working people across our state. We work to improve the lives and working conditions of our members and all working people.

We are providing testimony neither for nor against LD 2212; however, we believe the proposal fails to raise the additional revenue we need to meet the many unmet needs of working people across the state. We urge lawmakers to build on this proposal by including tax fairness solutions that ask more from those who can afford it.

Last year, lawmakers in Washington passed massive tax breaks for the wealthiest people and corporations in the world, paid for by ripping health care from tens of thousands of Maine people and shouldering our state with tens if not hundreds of millions of dollars in extra costs. Meanwhile, working families face ongoing cost pressures that require sustained investment to address.

We at the Maine AFL-CIO have been engaging hundreds of workers across the state about the issues that most deeply impact their lives. Across the board, they say loud and clear how hard it is to afford all the necessities of life: health care, housing, child care and more. The state can play an active role in meeting working families' needs, but to do so will require bold leadership and an appetite to raise revenue from those who have done so well in this economy. One-time fixes and nibbling around the edges will not get the job done.

While there are some bright spots in this budget, we see areas that simply come up short for working families.

- Over 1,000 children are stuck on a waiting list for the Child Care Affordability Program, and there are many more families who would benefit from the program if there were no waitlist.
- State workers toil under the well-documented pay gap, in which they are paid well below their peers in the public and private sectors. This makes it harder for all Mainers to access the public services they fund and rely on.

- We need to ensure that all workers in our state's psychiatric centers can retire with dignity after a career of hard work by moving them into the 1998 Special Retirement Plan.

The wealthiest 1% in Maine pay a lower effective state and local tax rate than the working class.¹ That should be unconscionable to everyone in our state. It is simply not right that a millionaire is in the same top income tax bracket as a nurse or a plumber.² Fortunately, we can do something about it right now.

We need to stop favoring the wealthy by giving them preferential tax treatment, raise new revenue by asking rich people and profitable corporations to pay their fair share, and use that revenue to help working people get by.

We look forward to working with legislators to advance proposals that help workers and address income inequality through a fairer, more sustainable tax system that meets the needs of working people across our state.

Thank you.

¹ <https://itep.org/whopays/maine-who-pays-7th-edition/>

² https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ind_tax_rate_sched_2025.pdf