



Testimony in Opposition to the Proposed Elimination of the Business Equipment Tax Reimbursement (BETR) Program in Part O of the Supplemental Budget, LD 2212

February 19, 2026

Chair Rotundo, Chair Gattine, Chair Grohoski, Chair Sayre, and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs, and Taxation,

My name is Darcy Oulette, and I am here on behalf of Twin Rivers Paper Company, which operates a major paper mill in Madawaska, Maine. We testify in strong opposition to the proposed elimination of Maine's Business Equipment Tax Reimbursement (BETR) program in the supplemental budget.

The BETR program is not a discretionary subsidy in the ordinary sense. It is a long-standing state policy designed to offset Maine's unusually burdensome taxation of business equipment at the municipal level. It exists because Maine imposes a local property tax on machinery and equipment that many other states simply do not impose. The reimbursement mechanism was created to make Maine competitive for capital investment and to encourage modernization of facilities across the state.

Twin Rivers has made substantial capital investments in reliance on the State of Maine's commitment under the BETR framework, adding value to the equipment and maintaining its longevity. Those investments were not speculative. They were strategic, long-term decisions involving machinery and infrastructure that remain in service today and will continue to operate for many years into the future. Today, the value of that equipment still in use would cost Twin an additional \$750,000 annually in operating costs. The economic life of this machinery far exceeds a single budget cycle, or even a tax depreciation cycle. The financial models underpinning our investments incorporated the predictable continuation of the BETR reimbursement.

Eliminating the program midstream would fundamentally alter the economics of investments already made. It would effectively increase operating costs on equipment that was purchased and placed into service under a clear and longstanding policy structure. This is not simply a prospective policy change; it retroactively undermines the financial assumptions under which manufacturers deployed millions of dollars in capital in Maine communities.

The consequences are significant:

- Immediate cost increases on existing equipment that remains essential to ongoing operations.
- Reduced capital reinvestment in Maine facilities relative to other states.
- Diminished competitiveness in an industry that operates on thin margins and in highly competitive national and international markets.

Perhaps most importantly, Maine would place itself at a competitive disadvantage relative to states that exempt business equipment from local property taxation altogether. Many jurisdictions across the country either do not tax business equipment or provide broad exemptions. Maine instead taxes that equipment and then reimburses a portion through BETR. Removing the reimbursement without eliminating the underlying tax would make Maine one of the least competitive states in the region for industrial capital investment.

The paper industry in northern Maine operates in a global marketplace. Investment decisions are constantly evaluated against alternative facilities and jurisdictions. Policy stability matters. When a state creates a program specifically to encourage investment and then withdraws that commitment after the investment has been made, it sends a deeply troubling signal about predictability and reliability.

For a community like Madawaska, the mill is not an abstract line item. It is a major employer – over 470 employees in the region- a central economic driver, and a cornerstone of the regional economy. Policy changes that materially increase operating costs do not occur in isolation; they reverberate through payroll, procurement, contracting, and local tax bases.

We respectfully urge the Committees to reject the proposal to eliminate the BETR program in the supplemental budget. Withdrawing a law on equipment already placed in service undermines the State's credibility and jeopardizes continued investment.

For these reasons, Twin Rivers Paper Company strongly opposes the proposed elimination of BETR and urges the Committees to maintain the program.

Thank you for your consideration, and I would be pleased to answer any questions.

Sincerely,

Darcy Oullette, Vice President of Finance
Twin Rivers Paper Company