

Testimony in Opposition to Part "O" of LD 2122 Supplemental Budget
Peter Triandafillou
February 19, 2026

Distinguished members of the Appropriations and Financial Affairs and Taxation Committees, my name is Peter Triandafillou, and I live in Orono. I am retired from Huber Resources Corp, where I served as VP of Woodlands. I am submitting testimony in opposition to proposed cuts and elimination of the Business Equipment Tax Reimbursement (BETR) program.

Municipalities in Maine tax businesses for equipment as well as real estate. This creates an extra financial burden for capital intensive businesses, including the forest products industry. Sawmills, pulp mills, and loggers invest millions of dollars each year in order to be competitive in the global economy. Without that investment, mills become out of date and uncompetitive facilities are shuttered.

Business equipment tax creates an inadvertent but crippling disincentive for critical investments. A sawmill installing a new edger or a paper mill installing a new paper machine has to invest millions of dollars to do so. The new equipment adds to the facility's taxes not just when the equipment is installed but annually until the equipment is retired. Instead of encouraging investment in businesses here in Maine, eliminating the BETR program does the opposite: encouraging companies to take their investment capital elsewhere.

Maine government recognized the problem and created BETR and other programs to eliminate the investment disincentives of the tax on business equipment. The program has been critical in encouraging businesses to invest and stay in Maine. However, the Governor's supplemental budget would cut the 2025 BETR reimbursement by half and end the program in 2026. This will have an immediate and significant tax increase. It also sends a disturbing message to companies that Maine cannot be relied upon to live up to its promises for taxation and regulation.

J.M. Huber's oriented strand board facility in Easton is a major employer and an economic engine for Aroostook County. Huber has repeatedly invested in the facility to keep it competitive. The BETR reimbursement for Huber in 2025 was \$61,645, and over the past ten years total reimbursements were \$1,251,645. Taxes would have been applied on top of the capital invested in machinery and equipment. Without BETR, it is likely that some of Huber's investment would have gone to other, lower cost states where Huber has other facilities.

Retroactively reducing reimbursements and ending BETR in 2026 is entirely the wrong message to send to Maine businesses. It discourages capital investment and encourages businesses to move operations or relocate to regions with more reasonable taxation. I urge you to reject Part O of the supplemental budget and retain the BETR program. Thank you for your time and attention.