

**TESTIMONY OF
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DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Housing and Economic Development
Hearing Date: *April 24, 2025*

LD 1643 – “*An Act to Establish the Maine Life Science Innovation Center*”

Senator Curry, Representative Gere, and members of the Committee on Housing and Economic Development – good afternoon. My name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 1643, “*An Act to Establish the Maine Life Science Innovation Center.*”

This testimony is limited to the bill’s effect on taxation.

This bill leaves the legal status of the new Center, whether it is an “instrumentality of the State” or not, unclear. It is important this legal status be explicitly clarified because the application of the State’s various tax laws, except the narrow provisions included in the bill, depends on this status. In addition, the lack of clarity could impede the work of the Center itself.

In addition, the bill states that the new fund should be used to “[p]ay all taxes owed by the center related to a center property or center project.” However, the bill also states that the Center may make payments in lieu of taxes (“PILOTs”) to a municipality. It is unclear why the Center would need to make PILOT payments if it is already responsible for paying property tax.

Any fiscal impacts associated with the bill can be absorbed under current budgetary allotments. The administrative costs of this bill cannot be estimated until the legal status of the Center is clarified.

The Administration looks forward to working with the Committee on the bill.