



Senator Curry, Representative Roberts, and Honorable Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business: my name is Adam Zuckerman and I am the lobbyist for the Maine People's Alliance.

MPA is Maine's largest community action organization with over 32,000 members across the state. Our mission is to create a world where everyone has what they need, contributes what they can, and no one is left behind.

That is why I am testifying in opposition to LD 1918, the Dirigo Business Incentive.

As the Maine Center for Economic Policy (MECEP) highlights in their new report, [Maine already spends over \\$1 billion every year on tax giveaways to business](#)—nearly as much as we spend on education. Those include giveaways to multi-billion-dollar corporations like General Dynamics and IDEXX, whose executives have then gone on to [make fortunes](#) through stock buybacks. [Studies](#) show that corporations are much more likely to use these tax giveaways to benefit their stockholders than they are to use them to invest in workers and communities. Meanwhile, [corporate profits](#) just reached an all-time high and have become [the main driver of inflation](#).

It is within this context that we are hearing the Dirigo business subsidy. It [would cost \\$54.5 million per year](#) and would provide business tax cuts for capital investments and worker training. It [requires a minimum \\$50,000 capital investment](#) to receive a tax credit. That investment is more than [the median Maine small business owner makes in entire year](#), putting it out of reach of most small businesses and further tilting the playing field in favor of big business.

Instead of investing in more tax incentives, we should address the greatest challenge small businesses' face—workforce recruitment and retention. We should invest in supports that help Maine workers enter and stay in the workforce, including affordable child care and health care, paid family and medical leave, and affordable housing.

What could we do with the \$54.5 million earmarked every year for this corporate tax break? We could [close the discriminatory loophole in MaineCare](#), boost child care

wages and family subsidies, fund community coordinated programming for adults with intellectual disabilities, and still have money left over. Instead of funding an unproven tax break, we could fund one with a proven track record of success like expanding the child tax credit, which on the federal level had [a 1,000% return on investment](#) and reduced childhood poverty by 50%. With just one year of the funding proposed for this tax break, we could fund the start-up costs necessary to launch a statewide Paid Family & Medical Leave program.

Budgets are about choices. Given the massive needs that Maine communities face, spending precious taxpayer resources on an unproven corporate tax giveaway is the wrong one.

I urge you to vote in opposition and am glad to answer any questions you may have. Thank you.