TESTIMONY OF
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Before the Joint Standing Committee on Inland Fisheries and Wildlife
Hearing Date: *April 9, 2025*

LD 1241 – "*An Act to Establish the Make Change for Wildlife Program to Support the Maine Endangered and Nongame Wildlife Fund*"

Senator Baldacci, Representative Roberts, and members of the Inland Fisheries and Wildlife Committee – 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 Against LD 1241, "*An Act to Establish the Make Change for Wildlife Program to Support the Maine Endangered and Nongame Wildlife Fund.*"

This analysis is limited to the bill as it relates to taxation and Maine Revenue Services. For tax years beginning on or after January 1, 2026, the bill proposes an income subtraction modification for corporate taxpayers to reduce Maine taxable income by the amount of voluntary customer contributions to the Make Change for Wildlife program collected at the point of sale, up to $10,000. Contributions collected must be deposited in the Maine Endangered and Nongame Wildlife Fund ("Fund").

Currently, for federal and Maine income tax purposes, taxpayers who utilize itemized deductions or claim business expenses may deduct donations made to qualified organizations; however, there are currently no deductions for third-party collectors of donations.

P.L. 1983, c. 526 enacted a checkoff box on the individual income tax return allowing taxpayers to make voluntary contributions to the Fund. The bill may result in a duplication of benefits in that, under current law, taxpayers who itemize deductions or claim business expenses may already be able to deduct donations to the Fund via the Make Change for Wildlife program.

The Administration notes that, as currently written, the bill does not apply to business taxpayers that are not subject to the corporate income tax (sole proprietors, S corporations, partnerships, and LLCs) or individual income tax taxpayers that collect and remit donations to the Fund.

The Administration also notes the following technical concerns:

- Section 3 of the bill should be amended to clarify that the subtraction modification for corporate taxpayers is limited to the customer contributions collected and remitted to the Fund.
- The bill requires that all money generated pursuant to Title 12, § 10253(6) be deposited in the Fund; however, the bill does not provide safeguards to ensure the full amount of contributions are actually deposited to the Fund, nor does it provide a mechanism for transferring the contributions collected to the Fund, or who bears the responsibility for the transfers.

The preliminary estimated revenue impact is negligible.

The preliminary estimated administrative costs are under review. One-time computer programming costs would be required to add an additional line to the corporate income tax return to accommodate the income subtraction modification.

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