

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Labor
Hearing Date: *April 16, 2025*

LD 1538 – “*An Act to Index Unemployment Benefits to the Unemployment Rate*”

Senator Tipping, Representative Roeder, and members of the Labor Committee – good morning, 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 1538, “*An Act to Index Unemployment Benefits to the Unemployment Rate.*”

This testimony is limited to the bill as it affects Maine Revenue Services. This bill renames the Employment Security Law to the Reemployment Assistance Program and updates a reference in 36 M.R.S. § 5219-XX(2) to reference the new name.

Under current Maine law, 36 M.R.S. § 5219-XX(2), in part, requires a taxpayer claiming the renewable chemicals tax credit to demonstrate to the Department of Economic and Community Development (DECD) that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility conditions specified in the Employment Security Law. The Administration notes that LD 1275, also presented this Session, proposes to remove that requirement.

The preliminary estimated revenue impact is negligible

The preliminary estimated administrative costs are nominal and can be absorbed within current budgetary allotments.

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