

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

Before the Committee on State and Local Government
Hearing Date: May 2, 2023

LD 1725 – *“An Act to Strengthen Legislative Oversight of
Government Agencies and Programs by Providing the Government
Oversight Committee Access to Confidential Records”*

Senator Nangle, Representative Stover, and members of the State and Local Government Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am providing testimony at the request of the Administration Against LD 1725 – *“An Act to Strengthen Legislative Oversight of Government Agencies and Programs by Providing the Government Oversight Committee Access to Confidential Records.”*

This bill provides that the Government Oversight Committee may receive information and records that are privileged and confidential and that that information and those records are exempt from public disclosure. This testimony is limited to the bills impact on confidential taxpayer information and Maine Revenue Services.

Pursuant to Maine Revised Statutes, Title 36, section 191, taxpayer information is generally confidential and may only be disclosed in specific circumstances. The protection of confidential taxpayer information is central to a well-functioning tax system, allowing taxpayers to provide sensitive information

with confidence. LD 1725 would create an additional avenue for disclosure of taxpayer information.

During a tax expenditure review, the Legislative Office of Program Evaluation and Government Accountability (OPEGA) already has access to confidential taxpayer information. OPEGA cannot release the confidential taxpayer information that it acquires to the GOC but can use it in the development of its reports and can release aggregated statistics.

The Department recommends that the Committee consider whether the disclosure of confidential taxpayer information is necessary for the purposes of this bill.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.