



Testimony in Opposition to LD 667, “An Act to Impose a Tax Surcharge on Certain Incomes,” and LD 843, “An Act to Improve Income Tax Progressivity by Establishing a New Top Individual Income Tax Rate”

Senator Grohoski, Representative Perry, and the distinguished members of the Committee on Taxation, my name is Nick Murray and I serve as director of policy for Maine Policy Institute. We are a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify against LD 667 and LD 843.

Maine is in a terrible place in terms of economic competitiveness, not only nationally, but compared to our New England neighbors as well. We face the 10th-highest state and local tax burden as a share of total state product in the nation.¹ Maine has been in the bottom 10 in Forbes’ rankings of state business climates since it began, currently 44th.² The cost of doing business is 9% higher than the national average; the cost of living for Mainers is 15% higher.³

Bills like LD 667 and LD 843 would only exacerbate these issues, diverting more money from the productive sector of the economy to the government. As Nobel-winning economist Milton Friedman popularly illustrated, the way one spends his or her own money is much more judicious and responsible than when a third party (like the government) is spending other people’s money.⁴

If you make less than \$100,000 per year as a single filer, Maine taxes you more than any other New England state. Why would any family or small business owner looking to move to the northeast, choose Maine over Massachusetts or New Hampshire?

Raising income taxes further will not help the State or its citizens. Both LD 667 and LD 843 would move Maine in the wrong direction, driving a larger wedge between the people and prosperity. Under this regime, only the State would prosper. Please deem them “Ought Not To Pass” and move instead to lower income taxes for all Mainers. Thank you for your time and consideration.

¹ State and Local Tax Burdens, Calendar Year 2022 | Tax Foundation.

<https://taxfoundation.org/tax-burden-by-state-2022/#results>

² <https://www.forbes.com/places/me/?sh=6ba6909a31c8>

³ Cost of Living Index by State 2023.

<https://worldpopulationreview.com/state-rankings/cost-of-living-index-by-state>

⁴ Milton Friedman - The Four Ways to Spend Money. Youtube.

<https://www.youtube.com/watch?v=XsRk9RThGt0>

Income Tax Brackets of New England States (2022)

