



May 6, 2025

The Honorable Timothy Nangle and Lydia Crafts
Co-Chairs, Maine Joint Committee on Transportation
3 State House Station, Room 126
Augusta, ME 04333

Re: Reject Section 3 of LD 1809 – the Highway Revenue Fund

Dear Chairs Nangle and Crafts, and members of the Committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I respectfully urge you to **oppose the delivery tax in HD 1809**. This proposal would unfairly impose a 50-cent tax on retail deliveries in Maine and have severe economic repercussions for local families, businesses, and workers.

Increasing the cost of delivery services would place an undue burden on Maine's small businesses and consumers alike. Doing so would be especially harmful to residents who depend on delivery services for everyday essentials, small businesses, and restaurants.

Enacting a delivery tax would also set Maine apart regionally. This year, similar proposals were rejected in Maryland,¹ Connecticut, Indiana, and Boston.²

Delivery taxes increase costs and threaten access to essential goods and services for Maine's rural and marginalized communities

Recent data highlights the growing reliance on delivery services nationwide and their impact on underserved communities. Between 2021 and 2022, 54% and 41% of adults surveyed nationwide reported they were likely to have frequently used an app to deliver food and groceries, respectively,³ and studies suggest the average order frequency for groceries will increase at a 12% annual rate over the next five years.⁴

¹ See CBS News <https://www.cbsnews.com/baltimore/news/maryland-2026-budget-general-assembly-taxes-revenue-business-property/>

² See Boston City Council <https://www.youtube.com/watch?v=TJSU6P-2MPs>

³ See Chamber of Progress http://progresschamber.org/wp-content/uploads/2022/07/COP_Civic-Innovation_ANALYSIS.pdf

⁴ See Online grocery sales will increase at 12% annual rate over 5 years, report says <https://www.grocerydive.com/news/online-grocery-sales-will-increase-at-12-annual-rate-over-5-years-report/641578>

This is particularly true for the 40.2% of Maine residents who live in rural areas,⁵ who often have to travel long distances to reach a grocery store or retail store for essential household items. 13% of households in Maine (and 1 in 5 children) face hunger and food insecurity.⁶ The state ranks 14th in the nation for food insecurity, with 43% of students needing meals every day and 16% of seniors at risk of going hungry.⁷ For the 40,000 Maine households without a personal vehicle,⁸ especially where public transportation is scarce, grocery and meal delivery services increase options for healthy, nutritious food and other household essentials.

Additionally, 16% of Maine residents live with a disability⁹ and more than 1 in 5 are seniors.¹⁰ Many of these people struggle with shopping in person and depend on delivery services for prescriptions, groceries, and household goods.¹¹ The imposition of delivery taxes can exacerbate challenges in accessing essential goods and services for people with disabilities and mobility challenges, who often face additional financial burdens.¹²

A survey of Colorado residents found that the burden of a 27-cent delivery tax fell hardest on low-income families. Families earning less than \$75,000 spent 2.5 times as much on delivery taxes as families earning over \$200,000.¹³ Increasing the cost of food and household goods deliveries through a delivery tax would further burden Maine families.

Delivery taxes hurt small businesses and workers

Raising taxes would harm Maine's vibrant small business community, which makes up 99.3% of businesses in Maine.¹⁴ Taxing delivery orders could force Maine businesses to remove delivery options that would shrink their customer base, absorb the tax, increase prices, or a combination of all three. Maine restaurants, like restaurants across the country,¹⁵ are already struggling to remain open and keep pace with high inflation and

⁵ See *Maine Morning Star* <https://mainemorningstar.com/2025/01/17/maine-is-particularly-vulnerable-to-federal-medicaid-cuts-due-to-rural-aging-population/#:~:text=Since%20rural%20communities%20rely%20on,state%20without%20affordable%20health%20care>.

⁶ See Campaign for Ending Hunger <https://campaignforendinghunger.org/about/hunger-statistics-in-maine/>

⁷ See Campaign for Ending Hunger <https://campaignforendinghunger.org/>

⁸ See John T. Gorman Foundation <https://www.itgfoundation.org/2025/01/data-brief-shows-gaps-in-maine-families-access-to-transportation/>

⁹ See Maine Department of Labor https://www.maine.gov/labor/cwri/sites/maine.gov.labor.cwri/files/2024-12/maine_workers_with_disabilities.docx

¹⁰ See Housing Wire <https://www.housingwire.com/articles/maine-oldest-population-case-study-for-supporting-seniors/#:~:text=According%20to%20data%20from%20the,level%20by%20the%20mid%2D2030s>.

¹¹ See Home delivery services serve up improved accessibility to food and more <https://www.ameridisability.com/home-delivery-services-serve-up-improved-accessibility-to-food-and-more/>

¹² See The National Disability Institute <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2018/12/finra-infographic.pdf>

¹³ See Chamber of Progress <http://progresschamber.org/wp-content/uploads/2024/02/EY-Chamber-of-Progress-Colorado-delivery-fee-analysis-02-27-2024-FINAL.pdf>

¹⁴ See Small Business Advocacy <https://advocacy.sba.gov/wp-content/uploads/2024/11/Maine.pdf>

¹⁵ See Grubhub <https://about.grubhub.com/news/proposed-delivery-taxes-could-cost-restaurants-millions/>

economic challenges from the Trump administration's volatile tariff policies.¹⁶ This trend will only worsen if a 50-cent tax per delivery reduces tens of thousands of orders and costs small restaurants millions in lost revenue annually.¹⁷

The impact of *any tax* on delivery services would be reduced revenue for small businesses and reduced wages for delivery drivers. Women,¹⁸ Gen Z, and millennials¹⁹—many of whom are already struggling to make ends meet—are increasingly turning to delivery work as a way to offset rising costs and earn supplemental income. Delivery taxes disproportionately harm these workers, undermining their ability to support themselves and their families while contributing to the local economy.

When a 27-cent tax was imposed in Colorado, many small businesses raised concerns about increased costs, and customers complained about increased prices.²⁰ Such price increases would lead to a drop in demand, resulting in decreased business revenues and wages for delivery drivers. In Colorado, the delivery tax has caused an estimated annual loss of \$17.1 million in wages for local workers, including restaurant employees, and threatened 61,000 jobs across various industries.²¹

Delivery taxes would also increase roadway usage and environmental damage

Delivery services consolidate trips and use route-optimization technology, making them more efficient than multiple individual trips. Unnecessary delivery taxes would discourage consumers from choosing delivery options and result in more individual trips to the store, putting more cars on the road and more emissions in the air.

In Maine alone, the use of delivery services could reduce nearly 50 million fewer miles driven annually, reducing wear and tear on roadways and decreasing roadway emissions.²² Imposing a delivery tax would undermine Maine's Four-Year Climate Plan and long-term goals to cut greenhouse gas emissions 45% by 2030, 80% by 2050, and reach carbon neutrality by 2045.²³

Delivery services play a vital role in Maine by supporting marginalized communities, helping families access essential goods, and keeping small businesses across the state afloat. Tax policies should not jeopardize these critical benefits for workers and

¹⁶ See WMTW <https://www.wmtw.com/article/maine-restaurant-closures-factors-rising-costs/63227123>

¹⁷ *Id.*

¹⁸ See <https://about.doordash.com/en-us/news/a-majority-of-dashers-are-women-heres-why-they-choose-doordash>

¹⁹ See 2024 Gen Z and Millennial Survey <https://www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html>

²⁰ See New Colorado retail delivery fee causing issues for small businesses https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter

²¹ See The Negative Economic Impacts of Retail Delivery Fees <https://progresschamber.org/wp-content/uploads/2024/08/Retail-Delivery-Fees-White-Paper-Econ-Impact-CHOP.pdf>

²² See Efficiency and Emissions Impact of Last Mile Online Delivery in the U.S. <https://progresschamber.org/wp-content/uploads/2024/06/Chamber-of-Progress-Efficiency-and-Emissions-Impact-of-Last-Mile-Online-Delivery-in-the-US.pdf>

²³ See Environmental Protection Agency <https://www.epa.gov/system/files/documents/2024-03/maine-pcap.pdf>

households who depend on them. For these reasons, we respectfully urge you to **oppose the delivery tax in LD 1809.**

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name "Brianna" written in a larger, more prominent script than the last name "January".

Brianna January
Director of State & Local Government Relations, Northeast US