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MAINE STATE CHAMBER OF COMMERCE ANNOUNCES SUPPORT FOR TAX REFORM AGREEMENT

The Chamber views recent proposals as an historic opportunity to modernize Maine's tax code and reduce Maine's overall tax burden

AUGUSTA, MAINE – The Maine State Chamber of Commerce has announced its support for a comprehensive tax reform plan in the biennial budget. The Chamber views the current proposals before the Maine Legislature as an historic opportunity to restructure and modernize Maine's tax code, and reduce Maine's overall tax burden.

The Maine State Chamber of Commerce strongly supports the underlying principles of current tax reform proposals; ones that improve Maine's economic competitiveness, provide exportability and revenue stability, and that also assist lower-income taxpayers and attract/retain retirees to our state.

"We appreciate Governor LePage's leadership in advancing these reforms," said Maine State Chamber President Dana Connors. "We also appreciate the thoughtful consideration of the proposal's components by the Legislature's Tax Committee, as well as in the more recent plan put forward by Democratic Party leaders. The opportunity to modernize Maine's tax system has never been better."

The most important provision of the proposals is the significant reduction in the individual income tax rate. The Chamber strongly supports the reduction of the tax rate to 5.75 percent, which serves to rationalize the increases in sales taxes that are also included in the plan.

The Chamber also supports a reduction in the corporate income tax rate, which will serve to make Maine more economically competitive by sending the message that Maine is a business-friendly state, and would potentially attract more businesses to grow, start-up or relocate here.

The Chamber recommends retaining the current property tax exemption for non-profit organizations, but encourages larger non-profits to present voluntary service fee proposals to municipalities based on each organization's property holdings, annual revenues, and use of municipal services.

The Chamber strongly supports the conversion of qualified business property from BETR to BETE, supports some increase in the property tax fairness credit, and supports either current law or an increase in the Homestead Exemption to $20,000. The Chamber would also support a

reform package that conforms the state estate tax exemption to the federal level, if not repealing the estate tax altogether.

Ultimately, the Maine State Chamber of Commerce strongly supports a major tax reform agreement that advances the above principles. Connors added, "As politically difficult as tax reform can be as we have seen over the last 20 years when this has been attempted before, this current proposal is our best and maybe last opportunity to do something enormously important to Maine's future economic vibrancy that is long overdue. We encourage legislators to step up to this challenge, and we offer our assistance in any way we can be helpful."

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