

TAXATION

LD 2212 - An Act Making Supplemental Appropriations And Allocations From The General Fund And Other Funds For The Expenditures Of State Government And Changing Certain Provisions Of The Law Necessary To The Proper Operations Of State Government For The Fiscal Years Ending June 30, 2026 And June 30, 2027

Summary: This is the Governor's Supplemental Budget Bill for FY 26-27. MSCC testified in opposition to the bill for three reasons. The bill would eliminate the Business Equipment Tax Reimbursement (BETR) Program, utilize the Budget Stabilization Fund for non-emergency purposes and only partially conforms to the federal R & D immediate expensing for larger businesses over (\$31 million in receipts). The bill proposes to conform fully for smaller businesses (under \$31 million).

Implications: Elimination of the BETR Program will increase taxes on Maine businesses. Utilizing the Budget Stabilization Fund for non-emergency purposes leaves the State exposed in economic downturns and may result in tax increases to fund essential services down the road. The State should conform to the federal R & D immediate expensing for all businesses regardless of size to allow businesses to compete for innovation.

LD 191 - An Act To Support Maine Businesses By Establishing A Pass-through Entity Tax And Tax Credit

Summary: The bill would establish a Pass-Through Entity Tax for pass through entities in Maine.

Implications: The PTET would be on an elective basis and would reduce federal tax liability for Pass through businesses in Maine. The bill also generates revenue for the State and aligns Maine with 36 other states that have adopted a PTET

[Upcoming Work Sessions & Public Hearings](#)

Tue 3/3 1:00 PM @ SH, Room 127