

MAINERS for TAX FAIRNESS

mainersfortaxfairness.org

Senator Chipman, Representative Terry, and members of the Taxation Committee,

My name is Moriah Geer, and I am a member of the National Association of Social Workers Maine policy committee. I'm here today representing Mainers for Tax Fairness. MFTF is a coalition of 22 organizations, including my own, that represents teachers, health care providers, policy experts, workers, small business owners, advocates for children and families with low incomes, and other groups fighting to improve tax fairness and build a stronger, more inclusive economy for all Mainers.

Mainers for Tax Fairness supports LD 1677, "An Act to Support Frontline Workers by Adding a Temporary Tax Bracket Affecting High Earners," and urges your committee to endorse the bill to the full Legislature.

The COVID-19 pandemic has been an unprecedented public health and economic crisis. And all along, frontline workers have been there to keep our society running. They have kept the grocery stores stocked, kept our kids' education on track, and worked often harrowing shifts saving lives in our health care centers and hospitals.

We should do what we can to recognize their contributions during this crisis. Especially because, in many cases, frontline workers are the very same Mainers who have been held back by growing economic inequality. While more and more of society's wealth accumulated at the top, many of these workers already faced stagnant wages, ever-increasing childcare costs, inadequate benefits, and volatile schedules.

The pandemic affected every single Mainer, regardless of where they come from or how big their bank account is. And in a crisis, all of us are asked to contribute: For teachers, that meant finding new and creative ways to carry the torch of education. For grocery workers, it meant going to work every day to ensure all of us could be fed, interacting with hundreds of people even when we knew it was exactly that exposure that put people at risk. For nurses and care workers, it meant taking care of our health and well-being, and doing everything they could to stem the tide of illness and death.

For those with the highest incomes — most of whom saw their wealth grow during the pandemic and were able to work safely from home the whole time — it should mean chipping in more in taxes.

The income tax can be one of the fairest types of taxes. Unfortunately, after years of policy changes that primarily benefitted those at the top, Maine's income tax today treats those with the highest incomes the same way it treats middle-class families.

The top income tax rate is the same whether you're a special education teacher or a millionaire CEO. The choice to keep taxes low on the highest earners is one reason that, according to the Institute on

Taxation and Economic Policy, those at the top in our state pay a lower overall tax rate than middle-class Mainers.

As we've said in testimony before your committee earlier this year, Mainers for Tax Fairness supports efforts to fix our income tax. Asking the wealthiest to chip in a little more would improve fairness in our tax code and raise revenue that can be invested directly into Maine communities.

This bill would use the revenue from a temporary income tax increase on high earners to fund what is essentially hazard payments for the frontline workers who have put themselves and their families in harm's way for more than a year. It would ask for just three cents on every dollar earned above \$200,000 to help recognize and reward the hardworking men and women who helped all of us survive this unprecedented crisis.

Every year, the Legislature struggles to come up with ways to fund the basic services that families, small businesses, and communities need: Schools, local road plowing and fire departments, housing assistance and health care. As long as policies to raise revenue and improve tax fairness are off the table, we'll continue to fall behind on these core investments.

LD 1677 shows that we can do better: By asking those at the top to contribute their fair share, we can move past "good enough" budgets and enact policies that help the people who build our economy and our prosperity from the bottom up.

We urge you to support this bill. Thank you. I'd be happy to answer any questions.

About Mainers for Tax Fairness:

Mainers for Tax Fairness is a coalition dedicated to cleaning up Maine's tax code to fund investments that build thriving communities. The coalition represents teachers, health care providers, policy experts, workers, small business owners, advocates for children and families with low incomes, and other groups fighting to improve tax fairness and build a stronger, more inclusive economy for all Mainers. Learn more at mainersfortaxfairness.org.

The Mainers for Tax Fairness coalition includes: Behavioral Health Community Collaborative, Cooperative Development Institute, Health Equity Alliance, Maine AFL-CIO, Maine Community Action Partnership, Maine Education Association, Maine Equal Justice, Maine Immigrants' Rights Coalition, New Ventures Maine/CA\$H Maine, Maine Women's Lobby, National Association of Social Workers Maine, Alliance for Addiction and Mental Health Services Maine, Maine Prisoner Advocacy Coalition, Maine Small Business Coalition, Maine Council on Aging, Maine Children's Alliance, Mainers for Working Families, Maine Center for Economic Policy/MECEP Action, Maine People's Alliance, Gateway Community Services Maine, Maine Service Employees Association SEIU Local 1989, and New Mainers Alliance.