

Committee on Taxation, attn: Avery Page
c/o Legislative Information Office
Cross Building, Room 214
100 State House Station
Augusta, ME 04333

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

My name is Moriah Geer. I am a member of the National Association of Social Workers (NASW) Maine policy committee. NASW Maine is a member of the Mainers for Tax Fairness coalition. 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.

NASW Maine joins Mainers for Tax Fairness here today to testify in support of:

- LD 1136, “An Act to Promote Fairness in Income Tax Rates by Making Them More Progressive,”
- LD 1443, “An Act Regarding Higher Income Tax Levels,” and
- LD 1500, “An Act to Bring Equity to Maine’s Tax Laws by Adjusting Certain Individual Income Tax Rates.”

The COVID-19 pandemic has exposed the disparities between those with and without financial resources in the state of Maine, but those disparities have been with us far longer than this pandemic, and without action they will remain even after this crisis is over. As social workers serving in a wide range of roles throughout the state, our members often see these disparities and the devastating effects that they can have on the lives of our clients firsthand. We work hard to help Mainers manage crises and to set them up with the tools and strategies needed to thrive, but when they leave our offices and face this level of disparity out in the world a lot of our hard work can be undone. We need the legislature to take actions that will help to mitigate this economic crisis and improve the lives of all Maine people.

The situation that we find ourselves in today can be attributed in part to a lack of investment in the things that promote economic security, such as education, health care, childcare, and robust public programs to help make housing, food, and other basics affordable for everyone. Throughout this pandemic economic activity has slowed, resulting in large job losses and cuts to profits for small businesses. Nonetheless, the state’s tax code maintains low taxes for the highest earning households and businesses, prioritizing them over funding for the services that support our working families. The Maine Center for Economic Policy notes that:

- Over the past 10 years, Maine has underfunded its public schools by \$2.54 billion.

- Over the same period, the state pushed a \$707 million shortfall onto property taxpayers by failing to fully fund local services such as road maintenance, parks, and water treatment.
- Approximately 19% of Maine adults cannot afford their monthly living expenses, and 17% of Maine adults could not afford a \$400 emergency expense (e.g. car repair, medical bill).

These unmet needs, among others, hold back our entire state, but the heaviest impacts have been to communities and people who were already vulnerable, particularly women and Mainers of color.

During this pandemic we have seen the impact that this lack of investment in the public good and prioritizing of the wealthy has had on our state. Students are missing out on vital education as they have gone without internet access during remote learning; low-wage workers in leisure and hospitality have applied for unemployment at unprecedented rates (JTG Foundation); and Maine's BIPOC residents have contracted and died of COVID-19 at higher rates than white/Caucasian groups (CDC).

It is time for new priorities and new investments. To improve tax fairness and build a stronger, more equitable economy, Maine must raise the revenue we need to make long-term investments in our people and places. Raising taxes on those with the highest incomes is the best way to do it. These three bills would help us to change the direction that our state has been heading in, and to allow us to really live our Maine values of helping our neighbors, caring for our land and taking pride in our communities.

We urge you to vote "Yes" on LDs 1136, 1443 and 1500. Thank you for your time today, I'd be happy to answer any questions.

Respectfully submitted,
Moriah Geer MSW mgeer@mejp.org
Case Coach and training facilitator at Maine Equal Justice
Old Town, ME

Exact References:

Maine CDC:

<https://www.maine.gov/dhhs/mecdc/infectious-disease/epi/airborne/coronavirus/data.shtml>

Maine Center for Economic Policy:

<https://www.mecep.org/taxes-and-budget/tax-policy-options-maine-needs-progressive-revenue-solutions-to-build-a-stronger-fairer-future/>

John T. Gorman Foundation:

<https://www.jtgfoundation.org/2020/07/07/maine-data-glimpse-unemployment/>