



Manufacturers Meet with Legislative Leaders on BETR Cut

Legislative leaders and Appropriations Committee members are attempting to find agreement on LR 2721, which would replace a \$40 million reduction in revenue sharing to municipalities with, among other changes, the elimination of BETR eligibility for manufacturing equipment that is more than 12 years old. I joined others participating in Pierce Atwood’s manufacturing tax group in meetings on Tuesday to discuss this issue with those who will decide it.

We met with Senate President Justin Alford, House Speaker Mark Eves, Assistant Senate Minority Leader Roger Katz, House Minority Leader Ken Fredette, and members of the Appropriations Committee to discuss the impact that the proposed cuts to BETR would have on manufacturing in Maine, and the ability to entice future investment needed to keep our facilities strong. Our group included Jon Block and Andrea Maker (Pierce Atwood), Scott Beal (Woodland Pulp), Linda Caprara (Maine Chamber), and representatives from Texas Instruments and True Textiles in Guilford.

All of the legislators were sympathetic to the difficulties this proposal would bring. We used, as one example, the fact that Verso Paper is evaluating all facilities and machines in operation in light of their proposed merger with NewPage, and that increasing taxes on manufacturing companies would send a very negative message. But nearly legislators all asked what we would offer instead to avoid the \$40 million reduction to municipal revenue sharing.

We suggested that legislators look at the proposal to transfer all remaining BETR property to the BETE program over a four-year period, or that they look at other tax measures that would not specifically target manufacturing companies that have invested heavily in their mills under the BETR program.

Appropriations Committee members are now caucusing with leadership to craft a budget that will address three large gaps in the current budget (all described in some detail in the Bangor Daily News):

- This \$40 million shortfall,
- \$90 +/- million that is needed for funding issues with the Department of Health and Human Services,
- And \$34 million included in the budget last year as “unspecified savings”