

May 6, 2021

Dear Senator Chipman, Representative Terry, and members of the Joint Standing Committee on Taxation,

I join you today on behalf of the Maine Women's Lobby. For over forty years, the Maine Women's Lobby has advocated for public policy which increases the health, wellness, safety, and economic security of Maine women and girls, with a focus on the most marginalized populations and communities.

We are here 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 Law by Adjusting Certain Individual Income Tax Rates. We thank Speaker Fecteau, Representative Lookner, and Representative Collings for sponsoring these bills.

Many of us are familiar with the persistent gender disparities we still face – for instance, women in Maine are more likely to live in poverty<sup>1</sup>, and still make between .66 and .88 cents for every 1.00 a white man makes<sup>2</sup>. They are more likely to experience sexual harassment and violence<sup>3</sup>; more likely to be discriminated against in the workplace; and are less likely to be represented in Government (the US Congress is 30 percent female, by far the most representative class in the body's history<sup>4</sup>).

Yet we don't often ask if we are raising and spending our resources in ways that either exacerbate or improve gender equity.

Our state budgets are an expression of our values, and we can use them to shape equity across many spheres, including gender. When a budget does not meet the basic needs of its people, women – especially Black, brown, and Indigenous women, women with disabilities, and other women with marginalized identities – are the ones most likely to be left without access to adequate health care, food security, and overall economic security.

The income tax is one of the most equitable ways to raise revenues to ensure a healthy, supported Maine. By accounting for ability to pay – unlike sales and property taxes – the income tax has a less harmful effect on lower income Mainers. Still, in the last administration, cuts to our income tax rates mean that the top tax bracket begins at \$51,700 for an individual, and Maine has seen a

<sup>&</sup>lt;sup>1</sup> United States Census Bureau, 2014—2018 Poverty Rate in the United States By County. (2019). Retrieved from <u>https://www.census.gov/library/visualizations/interactive/2014-2018-poverty-rate-by-county.html</u>

<sup>&</sup>lt;sup>2</sup> Lifetime Wage Gap Losses for Women Overall State Rankings: 2018. (2020, March). Retrieved August 3, 2020, from <u>https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/03/Women-Overall-Lifetime-Losses-2020-v3-1.pdf</u>

<sup>&</sup>lt;sup>3</sup> Dumont, Robyn MPPM and Shaler, George MPH (2015). 2015 Maine Crime Victimization Survey: Informing Public Policy for Safer Communities. Maine Statistical Analysis Center. Retrieved from https://digitalcommons.usm.maine.edu/maine\_statistical\_analysis\_center/5

<sup>&</sup>lt;sup>4</sup> Rutgers University (2021). Center for American Women in Politics. Retrieved from https://cawp.rutgers.edu/women-us-congress-2021



drop in revenue of \$400,000 per year as a result. A recent paper by the Brookings Institution states:

Several empirical studies have attempted to quantify the various effects noted above in different ways and used different models, yet mostly come to the same conclusion: Long-persisting tax cuts financed by higher deficits are likely to reduce, not increase, national income in the long term.<sup>5</sup>

A more equitable, more progressive tax code is good for Mainers, and makes more sense for growth in the long run. Over the last year, many flaws in our system came to light. It is now more clear than ever how childcare, paid family and medical leave, and access to health care and public health systems are essential parts of our state infrastructure. A fair and just tax code is also part of the state infrastructure and can help us make the investments we need for a sustainable recovery. Together, these bills will help to make that a reality, so that everyone in Maine is part of a fair system that works for all of us.

## Please support these proposals for a more gender-equitable tax code.

Sincerely,

Destie Hohman Sprague, Executive Director Maine Women's Lobby / mainewomen.org

<sup>&</sup>lt;sup>5</sup> (2014). The effects of income tax changes on economic growth. Retrieved from <u>https://www.brookings.edu/wp-content/uploads/2016/06/09</u> Effects Income Tax Changes Economic Growth Gale Samwick.pdf