



March 21, 2023

Senator Grohoski, Representative Perry, and Honorable 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 gender-responsive and gender-equitable public policies, with a focus on those most affected by misogyny, sexism, and other forms of oppression. We support systems and proposals which increase the health, wellness, safety, and economic security of all people in Maine. We are before you today **In Support of LD 667, An Act to Impose a Tax Surcharge on Certain Incomes; and LD 843, An Act to Improve Income Tax Progressivity by Establishing a New Top Individual Income Tax Rate.** Thank you to Representatives Collings and Osher for their work on these bills.

Last week, [Governor Mills declared March 14 Equal Pay Day](#)¹. The *difference between median earnings for men and women in Maine who worked full-time, year-round in 2021 was \$9,991, and nationally*, that gap is as much as \$28,797 for American Indian and Alaska Native women.² The disparity has actually widened since 2016.³

Gender-based disparities in Maine are structural and persistent. For instance, older women are twice as likely to live in poverty as older men⁴. Maine women are far more likely than men to cite childcare or other family or personal obligations as the reason for working part-time – which has lifelong effects on retirement savings and economic security.⁵

There is no single driver for these problems, but we know that there are a range of solutions. **The Legislature has before it this year multiple opportunities to make structural changes to reduce disparity and improve the quality of life for many Mainers.** Common sense solutions like childcare reform, paid family and medical leave, livable wages for care workers, child tax credits, affordable housing, and more are on the table. These solutions all share something in common: they are evidence-based steps to reduce poverty and disparity. They also require an investment in our state's people and human-centered infrastructure.

The good news is that we have these resources in Maine, and we can take steps to harness them without harming those who can least afford it.

¹ Maine Dept. Of Labor. (2023). Press Release: Governor Mills Proclaims March 14 National Equal Pay Day in Maine.

² US Census Bureau (2021). American Community Survey. Retrieved from <https://data.census.gov/table?q=median+earnings+by+race&tid=ACSST1Y2021.S2002>

³ U.S. Census Bureau Current Population Survey, 2016-2020.

⁴ Cutler Institute of Health. (2022). The Economic Security of Older Women in Maine. Retrieved from <https://www.mainewomen.org/s/EconomicSecurityOlderWomeninMaineReport-FINAL2.pdf>

⁵ Ibid.

Cuts to our income tax rates in the last decade mean that the top tax bracket begins at \$51,700 for an individual, and Maine has seen a 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.⁵

Income taxes are among the most equitable ways to raise money for state operations. By accounting for ability to pay – unlike sales and property taxes – the income tax has a less harmful effect on lower income Mainers. But it works best when it truly accounts for that ability to pay, and right now, our tax code is treating Mainers earning \$60,000 the same way it treats Mainers earning \$600,000 per year. That is simply not fair, and it amounts to a double hit on middle-wage workers. The same people who are struggling to afford housing, childcare, or taking time off to be with their dying parents are paying the same rates as people making three or four times the income.

We can solve both problems at once, by building a fairer tax code in this room, and then a fairer investment in infrastructure upstairs. **Together, these bills can help move us toward a more gender-just Maine.**

We hope you will vote Ought to Pass on LD 667 and LD 843.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Destie Hohman Sprague".

Destie Hohman Sprague, Executive Director