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MAINE BUSINESS AND EDUCATION LEADERS: STATE BALLOT QUESTION 2 TAX INCREASE IS THE WRONG SOLUTION FOR MAINE

Question 2 is deeply flawed from an education standpoint and would be detrimental to Maine's economy

PORTLAND, ME – Maine business and education leaders, who are part of a growing statewide coalition opposing Question 2 on Maine's November ballot, outlined their reasons for opposing the referendum question at events in Portland and Brewer on Thursday. While coalition members believe all Maine public schools need to be adequately funded, they strongly believe Question 2 is the wrong solution for increasing K-12 public education funding in Maine, would create more unfair funding disbursement, and be detrimental to our state's economy.

The tax increase proposed in Question 2, which seeks to raise more than \$157 million in taxes, would make Maine the second-highest marginal tax rate state in the country with a rate over 10 percent. Two-thirds of the taxpayers targeted by this proposal are community-based small and family business owners, the backbone of Maine's economy. Additionally, none of the new money raised could be spent on fixing school buildings, buying technology, or providing materials for students. The law would also create more unfair funding distributions for Maine schools and towns, as more than one third of the state's local school districts would receive zero additional dollars raised from this new tax.

"While we firmly believe all of Maine's public schools need to be adequately funded, the tax increase proposed in Question 2 would be detrimental to Maine's economy, and especially our small and family-owned businesses," said Maine State Chamber of Commerce President Dana Connors. "Passage of the question would also make it much more difficult for Maine to attract new investments, professionals, entrepreneurs and other job creators to our state; outside investors would be likely to remove their investments from Maine; and it is bad tax policy, especially for a fragile economy that is working hard to recover and grow."

"From an education standpoint, Question 2 is flawed on many levels," said Jim Rier, former Commissioner of the Maine Department of Education. "If passed, towns like Cape Elizabeth and Falmouth would get millions, while rural areas would see no benefit at all and would, in fact, find it even more challenging to recruit teachers to their districts. It also usurps local control, as it does not allow local school boards to spend the additional funds as they deem appropriate. Maine can and must find a better way to give all our students the education opportunities and experience they deserve."

Additionally, the implications of Question 2 leave a lot of unknowns. The funding source would be based on an unreliable source of revenue as incomes fluctuate from year to year. And disbursement is ultimately left in the Maine Legislature's hands as they could change or clarify the law. The question offers no guarantees, and is, for many reasons, the wrong solution for Maine.

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As the state's most influential business advocate, the Maine State Chamber of Commerce works to ensure a business climate in which Maine State Chamber members, large and small, can compete successfully in the local, regional, national, and world marketplaces. As The Voice of Maine Business, the Maine State Chamber of Commerce proudly represents a network of 5,000 businesses of all sectors, sizes, and regions. It advocates on their behalf daily before the Legislature, state departments, and various levels of state government.