



WEEKLY LEGISLATIVE UPDATE

April 13, 2026

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CEO

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WEEKLY UPDATE FROM THE CHAMBER PRESIDENT

PATRICK WOODCOCK
PRESIDENT & CEO
MAINE STATE CHAMBER OF COMMERCE

BUDGET SUPPLEMENTAL – A MAJOR STEP BACKWARDS FOR MAINE'S COMPETITIVENESS

STATUS – SIGNED BY THE GOVERNOR INTO LAW ON FRIDAY

- **Imposes a 2% surtax on Maine individuals and small businesses on taxable income over \$1 million.** This catapults Maine's top marginal tax rate to 9.15%– the highest in New England.
- **Raids the Budget Stabilization Fund.** The proposal to use nearly \$300 million from Maine's Budget Stabilization Fund is fiscally imprudent and prioritizes short-term relief over long-term economic growth. A significant portion of these funds would be distributed as \$300 "affordability" checks—an approach that provides only temporary benefit without addressing the underlying drivers of high costs.
- **Eliminates the Business Equipment Tax Reimbursement for Some Businesses.** The elimination of the BETR program for some businesses is contradictory to a promise made to businesses who made investments in equipment. Many states simply do not allow property taxes on equipment as this creates a disincentive to continue to modernize. This will cost individual businesses hundreds of thousands of dollars this year.
- **Fails to Enact Tax Conformity.** The bill fails to fully conform with the federal tax law changes. Most notably, the bill does not allow full expensing of Research & Development expenditures in the year that they were placed in service. Prior to 2022, Maine has been in alignment with the federal tax code on this provision since the inception of the Maine tax code in 1969.

ADVOCATE: LINDA CAPRARA



APPROPRIATIONS & FINANCIAL AFFAIRS

LOOKING AHEAD

LD 2212 – AN ACT MAKING SUPPLEMENTAL APPROPRIATIONS AND ALLOCATIONS FROM THE GENERAL FUND AND OTHER FUNDS FOR THE EXPENDITURES OF STATE GOVERNMENT AND CHANGING CERTAIN PROVISIONS OF THE LAW NECESSARY TO THE PROPER OPERATIONS OF STATE GOVERNMENT FOR THE FISCAL YEARS ENDING JUNE 30, 2026 AND JUNE 30, 2027

Policy Committee: A&FA

Advocate: Linda Caprara

Position: Oppose

This is the Governor's Supplemental Budget Bill for FY 26-27. The House (76-71) and Senate (18-16) voted ought to pass mostly along party lines (D's for R's against) but there were a few legislators that broke ranks and voted in opposition to the budget.

As originally drafted, the bill would have eliminated the Business Equipment Tax Reimbursement (BETR) Program. However, the amended version allows BETR to continue for non-retail property and proposes to phase it out for retail property. The budget also raids the State's Budget Stabilization Fund for non-emergency purposes to fund all sorts of items in the budget. The budget only partially conforms to the federal R & D immediate expensing for larger businesses over (\$31 million in receipts). The bill proposes to conform fully for smaller businesses (under \$31 million). The budget also imposes a 2% surtax on Mainers with incomes over \$1,000,000. This would generate \$150 million to be used partly for the \$300 checks.

Implications: Utilizing the Budget Stabilization Fund for non-emergency purposes and providing \$300 checks to Mainers leaves the State exposed in economic downturns and may result in tax increases to fund essential services down the road. The budget also imposes a 2% surtax which will impact small businesses and Maine's ability to attract top talent to the state. The budget also phases out BETR for retail facilities.

JUDICIARY

LOOKING AHEAD

On House Calendar

L.D. 127, AN ACT TO STRENGTHEN LEGISLATIVE OVERSIGHT OF GOVERNMENT AGENCIES AND PROGRAMS BY REAFFIRMING THE LEGISLATURE'S ACCESS TO CONFIDENTIAL RECORDS

Policy Committee Assignments: Judiciary

Advocate : Linda Caprara

Position: Oppose

The bill would provide that the Legislature's Government Oversight Committee could receive confidential records available to the Office of Program Evaluation and Government Accountability.

Implications: This would give the GOC access to confidential information such as tax returns, medical and mental health information, personnel records, etc. The bill was amended to try to eliminate legislative immunity if confidential information was leaked; however, we are not convinced the language accomplishes that.

TAXATION

LOOKING AHEAD

On Senate Calendar

L.D. 713, AN ACT TO AMEND THE TAX LAWS

Policy Committee: Tax

Advocate: Linda Caprara

Position: Oppose

The original bill was a concept draft. Sen. Nicole Grohoski has offered an amendment that would prohibit Data Service Centers from qualifying for the Business Equipment Tax Exemption (BETE) and from the Dirigo Business Incentive Programs.

Implications: The bill, as amended, would prohibit Data Service Centers from qualifying for BETE and the Dirigo Business Incentive Program.

TAXATION

LOOKING AHEAD

On House Calendar

L.D. 1089: AN ACT TO PERMANENTLY FUND 55% OF THE STATE'S SHARE OF EDUCATION BY ESTABLISHING A TAX ON INCOMES OF MORE THAN \$1,000,000

Policy Committee: Tax

Advocate: Linda Caprara

Position: Oppose

The bill would do as the title suggests, apply an income tax surcharge on incomes over \$1,000,000 to fund education (EPS).

Implications: The bill would increase income taxes on high earners.

TAXATION

LOOKING AHEAD

On Senate Calendar for Enactment

L.D. 229, AN ACT TO BRING FAIRNESS IN INCOME TAXES TO MAINE FAMILIES BY ADJUSTING THE TAX BRACKETS AND TAX RATES

Policy Committee Assignments: Tax

Advocate Assignments: Linda Caprara

Position: Oppose

The bill adds two income tax brackets in each category (for a total of 5), single, head of household and married filing jointly and increases the top income tax rates in the top two brackets in each category, from 7.15% to 7.75% and to 8.95%.

Implications: The bill, if passed, would increase income taxes on high earners. For single, the rates would increase from 7.15% to 7.75% for income over \$144,500 and to 8.95% for income over \$1,000,000. For heads of household, the rates would increase from 7.15% to 7.75% for income over \$216,750 and to 8.95% for income over \$750,000. For married filing jointly, the rates would increase from 7.15% to 7.75% for income over \$289,000 and to 8.95% for income over \$1,000,000.

TAXATION

LOOKING AHEAD

On Special Appropriations Table

L.D. 1879, AN ACT TO SUPPORT MAINE'S AGRICULTURAL ECONOMY BY INCREASING REVENUE FROM THE CORPORATE INCOME TAX AND PROVIDING PROPERTY TAX

Policy Committee: Tax

Advocate: Linda Caprara

Position: Oppose

This bill was passed to be enacted during the First Regular Session of the 132nd Maine Legislature. The bill would impose an annual 1.07% tax on corporate income of more than \$3.5 million to fund agricultural programs.

Implications: This would raise Maine's top rate to 10% and impose a huge tax on Maine's businesses operating as C-Corps.

ADVOCATE: AMANDA JOHNSON



HEALTH AND HUMAN SERVICES

LOOKING AHEAD

On House Calendar

LD 2196 – AN ACT TO LOWER HEALTH INSURANCE COSTS, REDUCE BARRIERS TO HEALTH CARE AND ENSURE FAIR PRICES FOR HEALTH CARE

Policy Committee: EET

Advocate: Amanda Johnson

Position: Oppose

Summary of Original Bill: The bill caps hospital prices at 200 percent of Medicare rates, keeps chronic condition prior authorizations valid for one year, protects coverage recently approved under prior plans, and requires insurers to report cost and utilization data.

Summary of Amended Bill: The amendment removes Medicare-based price caps and prior authorization reforms and instead narrowly applies price growth controls to certain plans.

Implications: The bill as amended removes the 200% Medicare-based cap and instead imposes targeted price growth caps on hospital services, which could strain providers, especially rural hospitals.

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

LOOKING AHEAD

On House Calendar

LD 2056 – AN ACT TO PROVIDE ADDITIONAL FINANCING OPTIONS TO CONSUMERS IN THE STATE

Policy Committee: HCIFS

Advocate: Amanda Johnson

Position: Support

Summary of Original Bill: This bill clarifies Maine’s consumer credit law by reaffirming the requirement for substantially equal loan payments while allowing limited exceptions, including simple interest loans where payment differences do not exceed 50%.

Summary of Amended Bill: Limits alternative financing for new vehicle purchases to structured payment options, allowing variations of up to 36%, including reduced payments during the first 36 months of the loan.

Implications: This bill provides greater flexibility in structuring simple-interest loan payments, allowing modest variation while still placing clear limits on how much payments can differ. It can support more practical repayment options for borrowers and lenders, while maintaining consumer protection by capping payment differences at 36%.

ADVOCATE: ASHLEY LUSZCZKI



ENVIRONMENT AND NATURAL RESOURCES

LOOKING FORWARD

On Senate Calendar:

LD 2141, AN ACT TO DIRECT A PORTION OF UNCLAIMED BEVERAGE CONTAINER DEPOSITS TO THE LAKE WATER QUALITY RESTORATION AND PROTECTION FUND, THE MAINE WORKING FARMLAND ACCESS AND PROTECTION PROGRAM AND PUBLIC DEFENDER OFFICE STAFFING

Status: Unfinished 3

Advocate: Ashley Luszczki

Position: Oppose

It changes how unclaimed beverage container deposits are used under Maine's redemption law. It directs a set portion of those funds to support lake water quality restoration and farmland access programs, clarifies how unclaimed deposits held by the state liquor bureau are treated, and strengthens reporting requirements for beverage container initiators by making non-reporting a violation with penalties. It also adjusts spending obligations if available unclaimed deposits aren't sufficient to meet all required uses

Implications: It shifts \$4M in unclaimed beverage deposits away from being reinvested into bottle redemption and provides that funding to Lake Water Quality and Working Farmland funds.

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

LOOKING FORWARD

On Senate Calendar:

LD 2162, AN ACT TO REGULATE AND PREVENT CHILDREN'S ACCESS TO ARTIFICIAL INTELLIGENCE CHATBOTS WITH HUMAN-LIKE FEATURES AND SOCIAL ARTIFICIAL INTELLIGENCE COMPANIONS

Status: 7-1

Previous Legislative Action: Enacted by the House

Advocate: Ashley Luszczki

Position: Oppose

This bill prohibits companies from making certain AI chatbots or “social AI companions” with human-like features accessible to minors. It defines those tools broadly to include chatbots that simulate emotions, build relationships with users, or impersonate real people. It allows minors and their guardians or parents to bring a private right of action with damages up to \$50,000. It requires the Attorney General to convene a stakeholder group to review the law and consider whether the provisions, including the definitions and the substantive requirements, should be further amended to address unintended consequences or whether the adoption of rules is necessary to implement the provisions. The AG stakeholder group shall report back to the committee, including suggested legislation no later than January 15, 2027.

Implications: The bill would create compliance obligations for companies offering AI chatbots and, without a mechanism for age-verification, they may need to redesign or limit features, especially those with conversational, human-like features. It creates legal ambiguity given the broad definitions, raising the risk that standard customer service or educational tools are unintentionally swept in. For adults, there may be direct impacts such as fewer available products, reduced functionality, or higher costs as companies seek ways to comply. Minors would also be limited to emerging technologies used in education and the workforce.

JUDICIARY

LOOKING FORWARD

On Senate Calendar:

LD 1822, AN ACT TO ENACT THE MAINE CONSUMER DATA PRIVACY ACT

Status: Item 1-4, in non-con.

Previous Legislative Action: House Insisted on Prior Action Whereby It Failed Enactment

Advocate: Ashley Luszczki


Position: Oppose

The bill would create new data processing rules for data collected by companies online. It would strictly limit the processing and sale of sensitive data, and limit data collection to “reasonably necessary and proportionate to provide or maintain a specific product or service...”

Implications: The bill would make Maine an outlier in the utilization of data by businesses to pursue targeted marketing online.

UPCOMING EVENTS

Next Weekly Legislative Update:
Tuesday, April 21, 2026



Weekly

Legislative Update

Join us weekly during the legislative session from 8:30 - 9 a.m. on the first day of the week



WEBINAR:
132nd Legislative Wrap-Up

A VIRTUAL EVENT
TUESDAY, APRIL 28, 2026
9:00 AM - 10:00 AM



MAINE ECONOMIC VISION 2035 LAUNCH

WEDNESDAY, MAY 6, 2026
5:00 PM - 7:00 PM

RÍ RÁ IRISH PUB & RESTAURANT
72 COMMERCIAL STREET, PORTLAND

2026 HEALTH CARE FORUM



JEFF'S CATERING & EVENT CENTER, BREWER
FRIDAY, MAY 8, 2026
7:15 - 10:30 AM



2026 GUBERNATORIAL CANDIDATE DEBATE



NEWS CENTER MAINE
MAINE STATE CHAMBER OF COMMERCE

AURA, 121 CENTER ST, PORTLAND
WEDNESDAY, MAY 13, 2026
1:30 PM - 7:00 PM

MAINE

S T A T E

CHAMBER

of

COMMERCE