



# Maine Women's Lobby

THE VOICE OF MAINE WOMEN

Testimony of Whitney Parrish  
Maine Women's Lobby  
In Support of LDs 1491 and 104  
An Act To Establish the Maine Work Tax Credit  
May 2, 2019

Senator Chipman, Representative Tipping-Spitz, and distinguished members of the Joint Standing Committee on Taxation: I am Whitney Parrish, Director of Policy and Program for the Maine Women's Lobby. The Maine Women's Lobby is a nonprofit, nonpartisan, statewide organization devoted to raising the economic, social, and political status of Maine's 678,000 women and girls.

I am pleased to speak to you today in strong support of LD 1491, *An Act To Establish the Maine Work Tax Credit*. We are also supportive of LD 104, *An Act To Expand the Earned Income Tax Credit in Maine*.

Establishing a refundable state earned income tax credit is a policy the Maine Women's Lobby has supported for a number of years. The Maine Women's Lobby first established this as a priority in 1996 when we served on the Commission to Study Poverty Among Working Parents. This committee spent a considerable amount of time searching for possible policy solutions to improve the lives of working parents, particularly single parents. The number one recommendation coming out of this commission was to establish a state earned income tax credit. This recommendation was unanimous. In fact, the only difference of opinion was over the amount of the credit. Committee members supported credits that ranged from 5% to 30% of the federal earned income tax credit. However, I want to stress that every committee member supported this credit to be a refundable credit. The bottom line is that the EITC is a well-established poverty reduction measure that has enjoyed broad bipartisan support in Maine and throughout the country.

Earned Income Tax Credit is a well targeted credit and focuses the relief to the poor and near poor. Simply put, the EITC reduces poverty. For years the Earned Income Tax Credit has been repeatedly highlighted and praised for helping working families escape poverty. Additionally, LD 1491 would lay the groundwork for a regular "Cost of Living Refund," which would combine the Maine Work Credit with other refundable tax credits for low-income Mainers and distribute them as monthly or quarterly payments, instead of one lump sum during tax season. This strategy for alleviating poverty would be life changing for Maine workers.

As now Department of Labor Commissioner Laura Fortman cited on behalf of the Maine Women's Lobby in front of this committee 18 years ago, the faces of working poor families are frequently faces of poor

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women. They are women struggling to support themselves and their children, frequently facing what may seem to be insurmountable odds, abuse, hunger, uncertain living situations, and depression. Yet these women are working. They are doing everything they can to improve their lives and the lives of their children. Raising the Maine state EITC to 30% of the federal earned income tax credit and making it more widely available to lower income college students and home caregivers would make a significant difference in their ability to succeed.

We strongly urge you to vote ought to pass on LD 1491. Thank you for your time.

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