

128th Legislature
Senate of
Maine
Senate District 20

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L.D. 235, An Act To Repeal the Service Provider Tax

Committee on Taxation

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Senator Dow, Representative Tipping and colleagues of the Joint Standing Committee on Taxation, my name is Eric Brakey and I am the State Senator for District 20, representing the people of Auburn, New Gloucester, Poland, Minot and Mechanic Falls.

I am here today to present LD 235, An Act To Repeal the Service Provider Tax. LD 235 seeks to fully repeal the service provider tax, effective October 1st of this year.

This bill was brought to my attention by my constituent, Richard Paine. As you can see from Mr. Paine's attached letter, his mother and father-in-law pay for their services at Schooner Estates out of pocket – they receive no financial assistance from MaineCare or otherwise from the State. However, the fees and taxes that are imposed on elderly Mainers at residential care facilities such as Schooner Estates are financially hurting these individuals and driving people away from retiring in Maine. These taxes are part of the reason that Mr. Paine and his partner Elaine, who have spent their entire lives in Maine, plan to leave the State and retire elsewhere once their parents are gone.

Although Maine's service provider tax covers more service areas than just these residential care facilities, I believe it is our duty as legislators to fight for lower taxes and repeal taxes that place a heavier burden on all Mainers. I believe that we could keep individuals like Richard and Elaine in Maine if we were to lower their tax burden. I also understand that this repeal would have implications for our ability to draw down certain federal funds in the Medicaid program, that being said, for the sake of my constituents, I believe this issue is worthy of review.

Thank you for your consideration of this bill.

To Hearing Committee:

My mother, Mary, is currently 91 years old and is a resident at Schooner Estates, Auburn, Maine. She is currently paying for her residence out-of-pocket. From May thru December, 2016, she has paid approximately \$51,000.00 for her care. For this, she receives the same care as those on MaineCare in the facility. My father-in-law, Robert Treworgy, Calais, 92 years old, is also at Schooner Estates, and he, too, is paying for his care out-of-pocket.

In addition to her "rent," she is being charged approximately \$400.00 per month as a room tax. I am of the understanding that a portion of this tax comes back to Schooner Estates to help off-set their accrued expenses for their facility.

My mother is not a wealthy person. In her life time, she and my father (deceased, Oct., 2010), worked very hard in Bethel, Maine, to maintain a home and keep my grandmother, my sister and me in a good home.

Picking apples, selling World Book encyclopedias, selling Stanley brushes, helping start the Head Start program in Bethel, working for the U.S Forestry Dept., working for National Training Labs, working for Les Otten at Sunday River, going back to UME and UMass to help further her education, my mother had a long history of work. My Dad drove dump truck, worked in a small grocery store, was a Postal clerk, and was appointed Post Master for Bethel by Ed Muskie, a position he loved and served for nearly 30 years.

Along the way in life, my Mother and Dad went without to provide for others and to save money for their later years.

My mother also currently pays quarterly State and Federal taxes in the amount of \$3,200.00, this based on their retirement income and interest from their savings.

For the State to impose the noted rooming tax on her and others like her is one of the many reasons why people in this State will not stay here unless they have the wealth to outlast the Maine system or are fortunate enough to have other people pick-up the tab for them.

At 68 and 69 years old, my companion and I will be leaving the State once our parents are gone. As a retired pharmacy owner and sales executive, we simply cannot afford the taxes in this state imposed on us, much less taxes such as this rooming tax further imposed on people like my Mother.

I am sure that you can see where this story ultimately goes. Once the money is gone, my mother and others like her will join the ranks of welfare recipients in this state and others will be left to support them and be taxed for their support, that providing there are people left in this state who will be able to support Maine's welfare system.

I (we) are urging you to take this tax off Maine's long line of taxes. At 90 plus years of age, enough is enough.

Thank you for your consideration.

Richard Paine
Elaine Treworgy Jacques