

OPA press release

**MAINE OFFICE OF THE PUBLIC ADVOCATE PRAISES PASSAGE OF BILL  
AIDING LOW INCOME HOUSEHOLDS BY REMOVING BURDEN OF STATE  
SALES TAX ON ELECTRICITY**

*“An Act to Reduce the Tax Burden on Low-income Electricity Customers” is passed  
by Maine Legislature*

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**April 27, 2022 | HALLOWELL, ME** – The Office of the Public Advocate (OPA) today praised the state Legislature for passing, *An Act to Reduce the Tax Burden on Low-income Electricity Customers*. “This bill does exactly what its title suggests, and I thank the Legislature for taking this long overdue and important step to help relieve the crushing financial burden on low-income ratepayers resulting from high energy prices,” said William Harwood, Maine’s Public Advocate.

LD 506, which was introduced on behalf of the OPA by Rep. Seth Berry, eliminates sales tax on low-income electricity customers. Residential customers are exempt on sales tax for the first 750kWh of usage each month. Sales tax is applied on usage greater than 750kWh. While the average Maine household uses 540kWh per month, low-income households receiving heating assistance use two to three times the amount of electricity than the average household in Maine, due to poor weatherization, less insulation, and a high percentage of electrically powered hot water heaters.

Some of these same households are further burdened by having participated in the initiative to install heat-pumps in low-income homes. These residents now are using a heat source that will affect their electricity usage further and subject them to sales tax if their usage is high enough.

“This bill is an opportunity to support low-income homes and the beneficial electrification initiatives put forth by the legislature,” said Harwood. “The cost of this legislation is low, barely \$140,000, but it will relieve low-income households of at least some part of their rising energy costs.”

