26 May 2017

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1023, “An Act To Provide a Sales Tax Exemption for Baling Twine.”

Generally speaking, a good tax code is based on a broad base and low rates. Maine already has one of the lowest sales tax rates in the country and has one of the narrowest tax bases. Introducing new exemptions, however well intentioned, has the effect of reducing our existing base and shifting the sales tax burden to other taxpayers. For years now, I have been arguing that the State should move from a reliance on income taxes to consumption taxes. New exemptions in sales tax do not support this necessary shift, and therefore I cannot support it.

As you know, the Legislature is currently considering a comprehensive budget proposal that addresses the sales tax. With budget negotiations currently underway, I do not believe it would be appropriate for the state to enact a new, targeted sales tax exemption. I hope and expect that when the next biennial budget arrives on my desk, the Legislature will have acted comprehensively to address the future of the sales tax and reduce the oppressive burden that Maine’s income tax places on families and businesses in Maine.

For these reasons, I return LD 1023 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor