



**TESTIMONY REGARDING 3% INCOME TAX SURCHARGE  
LD 390 AND QUESTION 2 of MAINE CITIZEN'S REFERUNDUM  
FEBRUARY 10, 2017**

Senator Hamper, Representative Gattine, Members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Dow, Representative Tipping, Members of the Joint Standing Committee on Taxation.

Good morning, my name is Geoff Baur. I lead the worldwide tax function at IDEXX and I am a resident of Portland, Maine. I am here today to share IDEXX's perspective on why the 3% tax surcharge on families is not good for Maine, Mainers or IDEXX.

For those of you that don't know IDEXX, we're a global company with a primary focus on animal diagnostics. We conduct operations through 98 separate locations and across 22 countries and the products manufactured in Westbrook are exported and used in over 200 countries. Over the last 6 years, our growth has added 738 employees in Maine bringing our total to 2,500 people. And this impact doesn't include our ever increasing spend with Maine based vendors and contractors.

IDEXX is proud to be a Maine headquartered company and it is our desire to continue growing in Maine. But to continue this growth, we need to recruit and retain exceptional talent— highly skilled scientists, engineers, software developers, among other roles. And ideally we want them located here in Maine.

Speaking from my own experience, it is not unusual to take 18 months to fulfill a position requiring technical expertise. Over the years I have heard numerous concerns from candidates ranging from the inability of their partner to find work to Maine's cost of living. Because of these factors, I hired my most recent direct report in our Netherlands office and I expect that I will do the same with a currently open position. And my experience is similar to many others both inside and outside of IDEXX.

At IDEXX we believe that a 10.15% income tax rate will hinder our ability to grow in Maine. A rate that will be second highest in the country and double the rate of Massachusetts where we source most of our out of state talent. First, the high tax rate makes it easier for out of state organizations to recruit our internationally renowned talent. They don't even have to offer a better compensation package; the employee's raise comes from the tax difference. Second, this tax will exacerbate the challenges we already experience in recruiting talent into Maine. The difference in Maine's tax rate and the 0% tax rate imposed by Tennessee, where we employ about 300 people, can be the equivalent of a year's college tuition. And I can promise you, that with two kids in high school and one in middle school, that resonates with me and it resonates with the people I need to recruit to support IDEXX's continued growth.

This proposal is not good for IDEXX, not good for Maine, not good for Mainers. As IDEXX continues to grow, we want to attract, develop and retain talent in Maine, for the good of Maine, Mainers and IDEXX. The 3% surcharge works against this objective.

Thank you, and I would be happy to answer any questions.