



WEX Inc.
97 Darling Avenue
South Portland, ME 04106

February 10, 2017

By Voice and Hand Delivery

Attention to Joint Standing Committee on Appropriations and Financial Affairs and Joint Standing Committee on Taxation

RE: In support of Governor's proposal to mitigate the 3% tax surcharge on families earning over \$200,000 in taxable income

Senator Hamper, Representative Gattine and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs, Senator Dow, Representative Tipping, and distinguished members of the Joint Standing Committee on Taxation,

Good morning. My name is Greg Wiessner and I live in Cumberland. I am the Vice President and Corporate Securities Counsel at WEX Inc. I am testifying today in support of the Governor's proposal to mitigate the 3% tax surcharge on families earning over \$200,000 in taxable income.

In 1983, WEX was a fledgling, start-up business launching an innovative product on Commercial Street in Portland, Maine. Today, WEX is a high-tech company headquartered on other side of the Fore River in South Portland. We have offices in the U.S., Australia, New Zealand, Brazil, the United Kingdom, Italy, France, Germany, Norway, and Singapore. WEX and its subsidiaries employ more than 2,500 associates worldwide. More importantly, we have about 700 people here in Maine. We are growing. Last year, we hired just over 100 people in Maine alone. We are proud to offer these jobs in Maine and have worked very hard to do so. Our workforce is a brilliant mix of people born here, such as our CEO Melissa Smith, who was raised in Lee, and people like me, who intentionally moved to Maine to help build a company that shares my values and provides opportunity for my family.

We have always committed ourselves to improving Maine's quality of life through the growth of high-quality Maine jobs. We do so through civic and charitable engagements in Maine. I coach hockey and sit on a school foundation. Others volunteer at the Center for Grieving Children or with other great organizations. While our businesses' success depends on a strong education system, our belief is that this income tax surcharge will have the unintended effect of driving away talent at a time when WEX is growing.

We have to pay our tech associates well to attract them to WEX, and starting salaries can be in the 6 figure range. We compete nationally and internationally for this talent against companies that you know by name, and whose products you use, such as VISA and MasterCard. For those



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with dual income families, this surcharge will impact them, if not immediately - then by mid-career stages. This tax not only hinders our ability to recruit talent to Maine, it will also give our competition an edge in recruiting our associates away from Maine. As for recruiting, you want to lead all states with growth, not tax rates. This tax rate sends a message that Maine will punish prosperity. Many of the companies who are seeking the same employees we do, are located in lower-taxed areas, such as Tennessee- which has no income tax, and the mobile nature of today's workforce results in the freedom to move and maximize opportunity and minimize cost. You and I love, and are committed to Maine, don't let this tax be a reason for others to miss on that same chance.

On a similar front, our other locations provide senior management with choices for residency in states, and countries, with lower tax burdens. Senior managers not only pay taxes, they volunteer, they donate to charity and they strengthen the fabric of our communities. We want them here.

A marginal tax rate in excess of 10% will put a damper on our ability to expand in Maine. Because of the global nature of our business, we regularly evaluate how to best grow it to provide further opportunities, for more people. Other states offer a more dense and plentiful workforce due to demographic advantages. That's already a challenge for Maine. The Maine tax surcharge is another hurdle for Maine to overcome. When potential employees are considering which company to work for, and what state to live in, we want to attract them with WEX's and Maine's great growth story, and not give them a reason to stay away, because of a surcharge on the success we offer them.

Finally, the \$200,000 threshold is an arbitrary figure, and what's to say Maine won't lower it in the future. This creates uncertainty and casts a shadow on the aspirations of people who want to innovate, and who want to work hard and smart, to become high-income earners. We want to grow, attract and retain this talent in Maine. The 3% surcharge will weaken our business, and our state's economy and I urge you to repeal it or mitigate its impact as proposed in the budget before you.

Thank you for your consideration of these concerns,

A handwritten signature in black ink, appearing to read "Gregory A. Wiessner", with a long, sweeping underline.

Gregory A. Wiessner
Vice President, Corporate Securities Counsel