

# MAINE STATE LEGISLATURE

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# Report of the Maine State Revenue Forecasting Committee

November, 1995

## FY 1996 General Revenue Projections

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**REPORT OF THE MAINE STATE  
REVENUE FORECASTING COMMITTEE**

**I. EXECUTIVE SUMMARY**

In December 1994, the Revenue Forecasting Committee prepared the forecast of General Fund and Highway Fund Revenues for FY 1996 and FY 1997 which became the basis of the State's biennial budget. In April 1995, the Committee reviewed its projections and decided not to alter its original forecast at that time. By September, however, an apparent slowing in a number of economic indicators and a negative variance in actual revenue collections as compared to forecast led the Committee to reconvene and, ultimately, **to reproject General Fund Revenues downward by \$14.8 million for FY 96 with a downward revision of \$1.4 million in FY 97.** The original projections and the recommended revisions follow:

**Table 1**

**SUMMARY OF GENERAL FUND  
REVENUE REPROJECTIONS - FY 96**

	<u>Original Projections</u>	<u>Revisions</u>	<u>Revised Projections</u>
<b>Sales &amp; Use Tax</b>	\$636,550,000	-6,400,000	\$630,150,000
<b>Ind. Income Tax</b>	639,819,000	No Change	639,819,000
<b>Corp. Income Tax</b>	64,719,900	-7,000,000	57,719,900
<b>Gross Receipts Tax</b>	71,533,600	No Change	71,533,600
<b>Liquor Transfers</b>	21,489,465	-1,400,000	20,089,465
<b>Other Revenues</b>	298,888,304	No Change	298,888,304
<b>Total General Fund</b>	<b>\$1,733,000,269</b>	<b>-14,800,000</b>	<b>\$1,718,200,269</b>

These revisions are based on the findings of the Consensus Economic Forecasting Commission (see Section II) and the Revenue Forecasting Committee's thorough review and discussion of the major General Fund Revenue lines (see Section III). The Committee deferred review of the smaller revenue lines until its January meeting.

**The Consensus Economic Forecasting Commission** found that national economic growth would continue its modest pace, no recession was likely in the foreseeable future and inflation would remain below 3.5% through the forecast horizon. With this as the economic backdrop, the Commission projected that Maine's economy would continue its slow growth track with employment growth averaging 1.5% through 1998. The Commission **did revise its Fall 1994 Forecast for personal income growth downward from 6% annual increases to a 5%**

**annual rate.** This downgrade had little effect on the new revenue forecast, however, because the Revenue Forecasting Committee had chosen to use a more conservative personal income forecast when preparing the original projections. In fact the CEFC's revised income estimates were virtually identical to what the Revenue Committee had used last December.

The recommendation that the sales tax projection be revised downward by \$6.4 million is based on the following:

- Automobile sales (20% of total retail sales) have slowed more sharply than had originally been anticipated
- Housing permit activity and, ultimately, the sale of building supplies (11% of total retail sales) have stalled
- Fiscal year-to-date October sales tax revenues were \$6.2 million below forecast
- The committee believes that sales tax growth will return to the 3.9% pace originally forecast, but the year-to-date October revenue shortfall of \$6.2 million will not be recouped.

The recommendation that the Corporate Income Tax forecast be revised downward by \$7.0 million is based on the fact that two large, unanticipated refunds were made in the first quarter. These refunds were not factored in to the original projections.

The decision to downgrade the Liquor Transfer projection by \$1.4 million for FY 96 and FY 97 is based on a decline in liquor consumption.

**Table 2**

**SUMMARY OF GENERAL FUND  
REVENUE REPROJECTIONS - FY 97**

	<u>Original Projections</u>	<u>Revision</u>	<u>Revised Projections</u>
<b>Sales and Use Tax</b>	\$662,544,166		\$662,544,166
<b>Individual Income Tax</b>	676,020,000		676,020,000
<b>Corp. Income Tax</b>	63,547,000		63,547,000
<b>Gross Receipts Tax</b>	74,678,947		74,678,947
<b>Liquor Transfers</b>	20,989,465	-1,400,000	19,589,465
<b>Other Revenues</b>	283,969,933		283,969,933
<b>Total General Fund</b>	<b>\$1,781,749,511</b>	<b>-\$1,400,000</b>	<b>\$1,780,349,511</b>

The Committee also decided to formalize the revenue forecast review process and set up a meeting schedule for the remainder of this biennium (see Section IV).

## II. CONSENSUS ECONOMIC FORECASTING COMMISSION FINDINGS

Given that Maine's economic well being is so highly dependent on national economic activity, the Consensus Economic Forecasting Commission (CEFC) started its forecast review by examining national economic trends and projections. The Commission reviewed a number of national outlooks and came to the conclusion that growth over the upcoming 5 years would be modest, at best, but a recession was unlikely. The CEFC used the following five forecasts of growth in real Gross Domestic Product to form their consensus for macro-economic growth:

**Table 3**

### **Real Gross Domestic Product Growth (Percent Change)**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Washington Consensus</b>	2.8	2.4	2.5	2.6	2.3	2.4
<b>Blue Chip</b>	2.9	2.4				
<b>DRI</b>	3.0	2.4	2.6	2.6		
<b>NYNEX</b>	3.0	2.6	2.1	3.1		
<b>RFA</b>	2.9	2.6	2.1	2.7	2.7	
<b>CEFC Consensus GDP Forecast</b>	<b>2.8-3.0</b>	<b>2.4-2.6</b>	<b>2.4-2.6</b>	<b>2.6-3.1</b>	<b>2.3-2.7</b>	<b>2.3-2.7</b>

The Committee also concluded that inflation would be kept in check over the foreseeable future and would not rise above the 3.5% threshold that triggers the indexing of Maine's individual income tax. The inflation projections examined and the CEFC's consensus forecast of the Consumer Price Index are shown below:

**Table 4**

### **The Consumer Price Index (Percent Change)**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Washington Consensus</b>	2.5	2.5	2.7	2.8	2.8	2.9
<b>Blue Chip</b>	3.0	3.2				
<b>DRI</b>	2.9	2.9	3.0	3.1		
<b>NYNEX</b>	2.9	2.9	2.8	2.9		
<b>RFA</b>	3.1	3.6	3.9	3.6	3.7	
<b>CEFC Consensus CPI Forecast</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>			

The Forecasting Commission examined a number of forecasts for Maine’s wage and salary employment and personal income growth. Much of the discussion focused on the question of why, in a period of recovery, income growth is expected to be slow by historical standards. The Commission members discussed the fact that the top 15 industries that saw job declines in the early 1990s had predominantly full time jobs and the 15 industries who gained the most jobs in this recovery had a large number of part time jobs. This would have a depressing effect on personal income growth. In addition, the group discussed the fact that with the high degree of industry restructuring occurring, there is a decent sized pool of highly skilled, educated people searching for jobs. This tends to reduce any wage pressure since those employed have little leverage in negotiating raises. Commission members referred to this as a “structural disconnect” that would likely be resolved in time.

The wage and salary employment forecasts for Maine relied upon by the CEFC and the consensus forecast follow:

**Table 5**

**Maine Wage and Salary Employment  
(Percent Change)**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>DRI</b>	2.2	1.6	1.5	1.6
<b>NYNEX</b>	2.2	1.4	0.8	1.5
<b>SPO</b>	2.0	0.8	0.4	0.5
<b>NEEP</b>	2.1	1.5	0.9	1.0
<b>Last CEFC</b>	1.5	1.5	1.5	
<b>Last SPO</b>	1.2	1.0	1.0	
<b>CEFC Consensus W&amp;S Employment Forecast</b>	<b>2.1</b>	<b>1.5</b>	<b>1.2</b>	<b>1.3</b>

The personal income forecasts for Maine relied upon by the Commission members and their consensus forecast for Maine total personal income growth (nominal) follow:

**Table 6**

**Maine Total Personal Income  
(Percent Change)**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>DRI</b>	5.8	5.1	4.8	4.9
<b>NYNEX</b>	6.4	5.2	4.3	5.1
<b>SPO</b>	5.3	4.8	5.3	5.3
<b>NEEP</b>	5.5	5.9	6.4	6.3
<b>Last CEFC</b>	6.2	5.9	5.9	
<b>Last SPO</b>	5.2	5.1	5.1	
<b>CEFC Consensus Total Personal Income Forecast</b>	<b>5.4</b>	<b>5.1</b>	<b>5.0</b>	<b>5.0</b>

The members of the Consensus Economic Forecasting Commission are listed below:

Charles Colgan, Chair - Muskie Institute

John Davulis - Central Maine Power

Robert McMahon - USM

Michael Donihue - Colby College

Raymond Monahan - NYNEX

### **III. REVENUE FORECASTING COMMITTEE FINDINGS**

Following the release of September's State Controller's Report which indicated a fiscal year-to-date revenue shortfall of \$16 million (4%), the Revenue Forecasting Committee initiated a review of its current General Fund Revenue Projections. At the October 30, 1995 meeting, the Committee decided that the downside variance in the major tax lines were significant enough to warrant review and possible revision. Since virtually all of the \$16 million variance occurred in the three largest tax lines (Sales Tax, Individual Income Tax and Corporate Income Tax), the Committee decided to focus its review on these lines and, with one exception, leave a full review of the smaller revenue lines for a later date. Per request of the State Budget Officer, **the Committee adopted the recommendation to revise the forecast of Liquor Transfers downward by \$1.4 million** for FY 96 and FY 97 to reflect a definite drop in alcohol consumption and a slippage in State revenue collections due to the growth in agency sales.

#### **Corporate Income Tax**

Appendix 1 contains the September 1995 State Controller's Report which served as the basis of the Committee's initial discussion. The Committee's review began with an examination



of the fiscal year-to-date negative variance of \$6.7 million in the Corporate Income Tax line. The State Tax Assessor explained that the variance was primarily due to 2 unanticipated refunds, one for \$5.6 million and one in the \$1-2 million range. Since neither of these refunds had been anticipated, they had not been factored in to our original projections. It was, therefore, reasonable to assume that these dollars would not be recouped in this fiscal year. **The Committee decided to revise Corporate Income Tax revenues downward by \$7 million.**

The decision to reduce forecast of Corporate Income Tax was further strengthened by the downside risk presented by ten unsettled court cases. According to the State Tax Assessor, if the State were to lose the 2 cases that are currently in the appeals court, the State could lose as much as \$6 million annually (\$3 million in each case). In addition, the other 8 cases could cost the State \$10 million in FY96.

On the positive side, the strong growth in estimated payments shows that Maine's businesses are fairly healthy. Unfortunately, State revenue collections will not reflect the underlying strength because many companies have investment tax credits that they can now apply to profits in order to reduce tax liability. The State Tax Assessor will report back to the group in January on the status of remaining investment tax credits.

### **Individual Income Tax**

As of September, actual revenues from individual income taxes were 1% ,or \$1.2 million below projections. Committee members shared the concern raised by the Consensus Economic Forecasting Commission that the new jobs being created in this recovery were generally lower paying than the jobs that had been lost in the downturn thus creating less "taxable wealth". The fact that preliminary October individual income tax collections were strong and the overall variance of 1% is very close to budget, however, **led the Committee to defer any revision of this tax line until January.**

### **Sales & Use Tax**

Committee members began the examination of Sales Taxes at the October 30th meeting, but found that they needed more detailed information on the various components (autos, building supplies, etc.) before they could make any decisions. Because of this, the formal review of Sales and Use Tax revenue performance took place on November 21, 1995. By this point in time, the State Controller's October Report was available (see Appendix 2). Since this was the most recent data available, this report became the basis of the Sales Tax review. As Appendix 2 shows, actual Sales and Use Tax collections through October were \$6.2 million below budget, which is a negative variance of 3%.

The Committee's discussion of the various components of taxable retail sales centered on the information contained in the following four appendices:

Appendix 3	Taxable Retail Sales by Major Component (data)
Appendix 4	Taxable Retail Sales by Major Component (graphs with monthly and 12-month moving average)
Appendix 5	Taxable Retail Sales by Major Component (graphs with monthly and year-to-date variance from forecast)
Appendix 6	Total Sales Tax Revenues (graphs)

Highlights of the Committee's fairly lengthy discussion include:

- Taxable retail sales for June, July and August (which translate to sales taxes for July, August and September) were of concern both because of the size of the variance from forecast and the trend
- September taxable sales were, in general, much more encouraging as were October sales tax revenues
- As Appendices 1 and 2 show, the year-to date variance from forecast improved from -5% in September to -3% in October
- The rate of decline in Automobile sales has slowed which may be due, in part, to the fact that the truckers' strike has ended and more cars are now being brought into the State (in other words, the truckers strike this summer had artificially depressed car sales)
- The revised personal income forecast of the Consensus Economic Forecasting Commission was virtually identical to the forecast underlying our original budget projections which means that the economic conditions underlying our initial forecast have not changed.

After reviewing this information, **the Committee decided to reduce its original Sales Tax projection by 1%, or \$6.4 million**, to reflect the Committee's belief that sales tax revenue growth will return to the growth path that had been originally projected by the group (3.9%) but the first-quarter negative variance would not be recouped in this fiscal year.

#### **IV. FORMALIZED FORECAST PROCESS**

The Revenue Forecasting Committee was formed under Executive Order in 1992 and, with the addition of the Director of the Office of Fiscal and Program Review in 1994, is now at full complement. The Committee has responsibility for developing the State Government's biennial General Fund and Highway Fund Revenue Projections subject to the State Budget Officer's final approval. To date, the Committee's success has been noteworthy as FY95 projections were within 0.4% of actual revenue collections and fiscal year-to-date October projections are also within 0.4% of actual collections.

Despite the relative success of the group, there remains some confusion about how often meetings should be held, when revisions should be made, what level and type of variance from forecast should trigger a reprojection, and when in the budget cycle are projections or reprojections due. In addition, the committee has not yet developed a standard set of economic and budgetary indicators that can be relied upon to answer some of the critical questions concerning forecast review and update.

For these reasons, the Committee decided to structure the following meeting schedule and forecast review process.

- Starting in January, 1996 the Revenue Forecasting Committee will meet on the fourth Wednesday of every other month at 9:30 a.m. at SPO.
- A standard set of economic and revenue performance measures will be mailed to Committee members on the third Thursday of every month.
- At each meeting, the State Economist will provide a brief update of current economic conditions and of significant economic events or trends that could affect revenue performance.
- At each meeting, the State Tax Assessor will provide a brief overview of tax line revenue performance and significant audit findings or court cases that could affect revenue performance.
- At each meeting, the State Budget Officer will provide a brief report on significant non-tax revenue lines and on budget cycle requirements of the Committee.
- At each meeting, the Director of the Office of Fiscal and Program Review will provide a brief update on any Appropriations Committee requests or issues.

STATE OF MAINE  
 Undedicated Revenues - General Fund  
 For the Third Month Ended September 30, 1995

September 1995

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6/30/96
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Sales and Use Tax	\$56,645,025	\$64,711,548	(\$8,066,523)	-12%	\$174,372,089	\$184,129,209	(\$9,757,120)	-5%	\$636,550,000
Gross Receipts Tax	10,627,574	8,229,577	2,397,997	29%	21,714,713	19,235,698	2,479,015	13%	71,533,600
Individual Income Tax	69,422,570	73,710,240	(4,287,670)	-6%	159,291,699	160,484,972	(1,173,273)	-1%	639,818,000
Corporate Income Tax	15,821,958	16,683,301	(861,343)		13,866,521	20,649,388	(6,882,867)		64,719,900
Cigarette and Tobacco Tax	3,473,912	4,216,061	(742,149)	-18%	12,417,410	12,665,642	(248,232)	-2%	46,028,837
Public Utilities Tax	0	0	0		(150,000)	(150,000)	0	0%	26,596,695
Insurance Companies Tax	15,618	325,984	(310,366)	-95%	1,277,604	1,740,544	(468,940)	-27%	37,571,808
Inheritance & Estate Tax	776,140	964,434	(188,294)	-20%	2,176,581	2,893,305	(716,724)	-25%	11,573,219
Property Tax - Unorg Territory	0	0	0		0	0	0		9,947,014
Income from Investments	636,197	260,000	376,197	145%	989,820	440,000	549,820	125%	2,890,000
Transfer from Liquor Commission	2,120,899	1,926,248	194,651	10%	5,943,898	6,099,162	(155,264)	-3%	21,489,465
Transfer from Lottery Commission	4,028,042	4,095,209	(67,167)	-2%	10,742,094	11,257,042	(514,948)	-5%	46,129,557
Other Revenues	9,655,899	9,814,600	(158,701)	-2%	29,285,103	28,675,199	609,904	2%	118,051,074
<b>Total Undedicated Revenue</b>	<b>\$173,223,833</b>	<b>\$184,937,202</b>	<b>(\$11,713,369)</b>	<b>-6%</b>	<b>\$432,027,533</b>	<b>\$448,108,181</b>	<b>(\$16,078,628)</b>	<b>-4%</b>	<b>\$1,733,000,269</b>

NOTES: (1) In addition to the above, \$7,625,255 for the month and \$18,681,924 year to date, has been set aside for distribution to cities and towns, under the State Revenue Sharing Program.

(2) This report has been prepared from preliminary month end figures and is subject to change.

State Controller's Office



**STATE OF MAINE**  
**Undedicated Revenues - General Fund**  
**For the Fourth Month Ended October 31, 1995**

**October 1995**

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6/30/96
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Sales and Use Tax	\$57,289,460	\$53,706,348	\$3,583,112	7%	\$231,661,549	\$237,835,557	(\$6,174,008)	-3%	\$636,550,000
Gross Receipts Tax	6,593,193	7,139,988	(546,795)	-8%	28,307,905	26,375,686	1,932,219	7%	71,533,600
Individual Income Tax	55,964,534	52,113,228	3,851,306	7%	215,256,233	212,578,200	2,678,033	1%	639,819,000
Corporate Income Tax	3,935,824	(1,128,579)	5,064,403		17,902,345	19,520,809	(1,618,464)	-8%	64,719,900
Cigarette and Tobacco Tax	4,128,273	3,653,127	475,146	13%	16,545,683	16,318,769	226,914	1%	46,028,837
Public Utilities Tax	0	0	0		(150,000)	(150,000)	0	0%	26,596,695
Insurance Companies Tax	4,096,205	3,514,010	582,195	17%	5,373,809	5,260,554	113,255	2%	37,571,908
Inheritance & Estate Tax	777,539	964,436	(186,897)	-19%	2,954,120	3,857,741	(903,621)	-23%	11,573,219
Property Tax - Unorg Territory	8,610,807	8,610,807	0	0%	8,610,807	8,610,807	0	0%	9,947,014
Income from Investments	602,042	260,000	342,042	132%	1,591,862	700,060	891,862	127%	2,990,000
Transfer from Liquor Commission	1,590,355	1,793,094	(202,739)	-11%	7,534,253	7,892,256	(358,003)	-5%	21,489,465
Transfer from Lottery Commission	3,828,634	3,614,713	213,921	6%	14,570,728	14,871,755	(301,027)	-2%	46,129,557
Other Revenues	9,104,928	8,419,550	685,378	8%	38,390,031	37,094,749	1,295,282	3%	118,051,074
<b>Total Undedicated Revenue</b>	<b>\$156,521,793</b>	<b>\$142,660,722</b>	<b>\$13,861,071</b>	<b>10%</b>	<b>\$588,549,326</b>	<b>\$590,766,883</b>	<b>(\$2,217,557)</b>	<b>0%</b>	<b>\$1,733,000,269</b>

NOTES: (1) In addition to the above, \$6,297,873 for the month and \$24,979,796 year to date, has been set aside for distribution to cities and towns, under the State Revenue Sharing Program.

(2) This report has been prepared from preliminary month end figures and is subject to change.



TOTAL TAXABLE SALES									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL FY'95	PROJECTED FY'95	DOLLAR VARIANCE	PERCENT VAR.	ACTUAL FY'96	PROJECTED FY'96	DOLLAR VARIANCE	PERCENT VAR.	PROJECTED GROWTH
June	\$1,071,805.2	\$1,071,805.2	\$0.0	0.0%	\$1,074,409.2	\$1,127,988.9	(\$53,579.7)	-4.8%	5.2%
July	\$1,001,262.3	\$1,001,262.3	\$0.0	0.0%	\$1,043,281.9	\$1,042,991.5	\$290.4	0.0%	4.2%
August	\$1,141,756.7	\$1,141,756.7	\$0.0	0.0%	\$1,136,275.3	\$1,189,844.5	(\$53,569.2)	-4.5%	4.2%
September	\$1,040,708.7	\$1,070,152.0	(\$29,443.3)	-2.8%	\$1,081,864.2	\$1,111,319.2	(\$29,455.0)	-2.7%	3.8%
October	\$942,517.2	\$904,117.3	\$38,399.9	4.2%		\$941,007.5			4.1%
November	\$882,771.1	\$845,346.4	\$37,424.7	4.4%		\$879,875.3			4.1%
December	\$1,114,882.1	\$1,111,500.2	\$3,381.9	0.3%		\$1,154,896.1			3.9%
January	\$715,459.2	\$718,461.7	(\$3,002.5)	-0.4%		\$746,631.9			3.9%
February	\$709,074.7	\$714,769.8	(\$5,695.1)	-0.8%		\$743,095.7			4.0%
March	\$832,154.0	\$821,977.0	\$10,177.0	1.2%		\$855,213.1			4.0%
April	\$828,057.3	\$858,187.6	(\$30,130.3)	-3.5%		\$890,658.1			3.8%
May	\$922,030.9	\$916,454.4	\$5,576.5	0.6%		\$951,716.1			3.8%
Total	\$11,202,479.4	\$11,175,790.6	\$26,688.8	0.2%	\$4,335,830.6	\$11,635,237.9			4.1%
			FIRST 4 MOS. FY'96	—	\$4,335,830.6	\$4,472,144.1	(\$136,313.5)	-3.0%	



<b>BUILDING SUPPLY</b>									
<b>TAXABLE SALES IN THOUSANDS OF DOLLARS</b>									
<b>(11/23/94 forecast used actuals through 8/94)</b>									
<b>MONTH</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DOLLAR</b>	<b>PERCENT</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DOLLAR</b>	<b>PERCENT</b>	<b>PROJECTED</b>
	<b>FY'95</b>	<b>FY'95</b>	<b>VARIANCE</b>	<b>VAR.</b>	<b>FY'96</b>	<b>FY'96</b>	<b>VARIANCE</b>	<b>VAR.</b>	<b>GROWTH</b>
June	\$127,228.8	\$127,228.8	\$0.0	0.0%	\$122,125.5	\$132,330.7	(\$10,205.2)	-7.7%	4.0%
July	\$106,050.6	\$106,050.6	\$0.0	0.0%	\$103,017.0	\$109,857.8	(\$6,840.8)	-6.2%	3.6%
August	\$122,377.1	\$122,377.1	\$0.0	0.0%	\$115,016.8	\$126,770.4	(\$11,753.6)	-9.3%	3.6%
September	\$119,776.8	\$112,849.3	\$6,927.5	6.1%	\$117,869.0	\$116,900.6	\$968.4	0.8%	3.6%
October	\$115,467.7	\$103,544.9	\$11,922.8	11.5%		\$106,237.0			2.6%
November	\$102,358.2	\$98,391.6	\$3,966.6	4.0%		\$100,949.7			2.6%
December	\$105,240.9	\$100,174.3	\$5,066.6	5.1%		\$102,778.9			2.6%
January	\$63,503.3	\$57,060.1	\$6,443.2	11.3%		\$58,612.1			2.7%
February	\$57,697.0	\$56,574.3	\$1,122.7	2.0%		\$58,113.1			2.7%
March	\$71,340.6	\$63,270.0	\$8,070.6	12.8%		\$64,991.0			2.7%
April	\$83,479.0	\$82,946.6	\$532.4	0.6%		\$86,032.2			3.7%
May	\$107,420.6	\$104,316.2	\$3,104.4	3.0%		\$108,196.8			3.7%
<b>Total</b>	<b>\$1,181,940.6</b>	<b>\$1,134,783.8</b>	<b>\$47,156.8</b>	<b>4.2%</b>	<b>\$458,028.3</b>	<b>\$1,171,770.3</b>			<b>3.3%</b>
			<b>FIRST 4 MOS. FY'96</b>	<b>————</b>	<b>\$458,028.3</b>	<b>\$485,859.5</b>	<b>(\$27,831.2)</b>	<b>-5.7%</b>	

FOOD STORES									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL FY'95	PROJECTED FY'95	DOLLAR VARIANCE	PERCENT VAR.	ACTUAL FY'96	PROJECTED FY'96	DOLLAR VARIANCE	PERCENT VAR.	PROJECTED GROWTH
June	\$100,998.1	\$100,998.1	\$0.0	0.0%	\$110,684.1	\$104,623.9	\$6,060.2	5.8%	3.6%
July	\$105,132.2	\$105,132.2	\$0.0	0.0%	\$106,589.5	\$108,769.8	(\$2,180.3)	-2.0%	3.5%
August	\$104,432.5	\$104,432.5	\$0.0	0.0%	\$111,003.1	\$108,045.9	\$2,957.2	2.7%	3.5%
September	\$97,535.2	\$109,245.2	(\$11,710.0)	-10.7%	\$99,665.8	\$113,025.0	(\$13,359.2)	-11.8%	3.5%
October	\$87,224.8	\$83,185.0	\$4,039.8	4.9%		\$86,038.3			3.4%
November	\$82,150.9	\$82,010.0	\$140.9	0.2%		\$84,822.9			3.4%
December	\$97,390.1	\$100,074.8	(\$2,684.7)	-2.7%		\$103,507.3			3.4%
January	\$75,069.6	\$80,843.7	(\$5,774.1)	-7.1%		\$83,859.1			3.7%
February	\$76,060.3	\$75,911.5	\$148.8	0.2%		\$78,743.0			3.7%
March	\$87,146.4	\$85,319.8	\$1,826.6	2.1%		\$88,502.3			3.7%
April	\$78,156.4	\$79,476.4	(\$1,320.0)	-1.7%		\$82,568.1			3.9%
May	\$85,449.1	\$90,731.9	(\$5,282.8)	-5.8%		\$94,261.4			3.9%
Total	\$1,076,745.6	\$1,097,361.1	(\$20,615.5)	-1.9%	\$427,942.5	\$1,136,767.0			3.6%
			FIRST 4 MOS. FY'96	-----	\$427,942.5	\$434,464.6	(\$6,522.1)	-1.5%	

GENERAL MERCHANDISE									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL	PROJECTED	DOLLAR	PERCENT	ACTUAL	PROJECTED	DOLLAR	PERCENT	PROJECTED
	FY'95	FY'95	VARIANCE	VAR.	FY'96	FY'96	VARIANCE	VAR.	GROWTH
June	\$179,177.3	\$179,177.3	\$0.0	0.0%	\$172,401.8	\$188,619.9	(\$16,218.1)	-8.6%	5.3%
July	\$156,208.7	\$156,208.7	\$0.0	0.0%	\$161,248.0	\$162,847.6	(\$1,599.6)	-1.0%	4.3%
August	\$186,261.8	\$186,261.8	\$0.0	0.0%	\$187,462.9	\$194,177.9	(\$6,715.0)	-3.5%	4.2%
September	\$171,895.1	\$171,344.6	\$550.5	0.3%	\$179,889.1	\$178,626.7	\$1,262.4	0.7%	4.2%
October	\$161,573.1	\$154,844.2	\$6,728.9	4.3%		\$161,440.6			4.3%
November	\$182,355.6	\$183,803.8	(\$1,448.2)	-0.8%		\$191,633.8			4.3%
December	\$274,209.0	\$271,713.7	\$2,495.3	0.9%		\$283,288.7			4.3%
January	\$102,777.3	\$100,298.7	\$2,478.6	2.5%		\$104,631.6			4.3%
February	\$107,265.5	\$110,362.6	(\$3,097.1)	-2.8%		\$115,130.2			4.3%
March	\$133,847.0	\$133,130.1	\$716.9	0.5%		\$138,881.3			4.3%
April	\$134,741.7	\$136,134.7	(\$1,393.0)	-1.0%		\$142,029.4			4.3%
May	\$145,654.7	\$142,834.0	\$2,820.7	2.0%		\$149,018.7			4.3%
Total	\$1,935,966.8	\$1,926,114.2	\$9,852.6	0.5%	\$701,001.8	\$2,010,326.4			4.4%
			FIRST 4 MOS. FY'96	---	\$701,001.8	\$724,272.1	(\$23,270.3)	-3.2%	

OTHER RETAIL									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL	PROJECTED	DOLLAR	PERCENT	ACTUAL	PROJECTED	DOLLAR	PERCENT	PROJECTED
	FY'95	FY'95	VARIANCE	VAR.	FY'96	FY'96	VARIANCE	VAR.	GROWTH
June	\$96,842.9	\$96,842.9	\$0.0	0.0%	\$98,944.9	\$101,946.5	(\$3,001.6)	-2.9%	5.3%
July	\$90,374.7	\$90,374.7	\$0.0	0.0%	\$97,532.8	\$94,215.6	\$3,317.2	3.5%	4.2%
August	\$118,825.9	\$118,825.9	\$0.0	0.0%	\$100,808.8	\$123,876.0	(\$23,067.2)	-18.6%	4.2%
September	\$96,663.1	\$101,115.1	(\$4,452.0)	-4.4%	\$101,209.0	\$105,412.5	(\$4,203.5)	-4.0%	4.3%
October	\$88,180.7	\$84,408.3	\$3,772.4	4.5%		\$88,004.1			4.3%
November	\$83,457.8	\$81,474.0	\$1,983.8	2.4%		\$84,944.8			4.3%
December	\$143,882.4	\$150,627.0	(\$6,744.6)	-4.5%		\$157,043.7			4.3%
January	\$62,340.8	\$63,598.4	(\$1,257.6)	-2.0%		\$66,345.8			4.3%
February	\$60,056.0	\$61,026.2	(\$970.2)	-1.6%		\$63,662.5			4.3%
March	\$60,979.2	\$64,075.8	(\$3,096.6)	-4.8%		\$66,843.9			4.3%
April	\$67,079.1	\$67,180.2	(\$101.1)	-0.2%		\$70,089.1			4.3%
May	\$80,153.6	\$82,178.2	(\$2,024.6)	-2.5%		\$85,736.5			4.3%
Total	\$1,048,836.2	\$1,061,726.7	(\$12,890.5)	-1.2%	\$398,495.5	\$1,108,121.0			4.4%
			FIRST 4 MOS. FY'96	-----	\$398,495.5	\$425,450.6	(\$26,955.1)	-6.3%	

AUTOMOBILE/TRANSPORTATION									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94, except FY'96 forecast set to 0% per previous Committee decision)									
MONTH	ACTUAL	PROJECTED	DOLLAR	PERCENT	ACTUAL	PROJECTED	DOLLAR	PERCENT	PROJECTED
	FY'95	FY'95	VARIANCE	VAR.	FY'96	FY'96	VARIANCE	VAR.	GROWTH
June	\$220,747.5	\$220,747.5	\$0.0	0.0%	\$219,668.3	\$238,407.3	(\$18,739.0)	-7.9%	8.0%
July	\$193,998.2	\$193,998.2	\$0.0	0.0%	\$188,078.0	\$206,355.9	(\$18,277.9)	-8.9%	6.4%
August	\$216,572.6	\$216,572.6	\$0.0	0.0%	\$221,446.6	\$230,368.3	(\$8,921.7)	-3.9%	6.4%
September	\$206,453.6	\$189,474.1	\$16,979.5	9.0%	\$193,976.4	\$201,543.6	(\$7,567.2)	-3.8%	6.4%
October	\$191,088.7	\$193,028.9	(\$1,940.2)	-1.0%		\$204,996.7			6.2%
November	\$170,274.1	\$178,432.5	(\$8,158.4)	-4.6%		\$189,495.3			6.2%
December	\$171,386.5	\$180,723.6	(\$9,337.1)	-5.2%		\$191,928.5			6.2%
January	\$149,479.3	\$168,813.4	(\$19,334.1)	-11.5%		\$175,059.5			3.7%
February	\$146,984.1	\$156,465.3	(\$9,481.2)	-6.1%		\$162,254.5			3.7%
March	\$196,726.4	\$202,278.2	(\$5,551.8)	-2.7%		\$209,762.5			3.7%
April	\$194,995.3	\$230,108.7	(\$35,113.4)	-15.3%		\$238,622.8			3.7%
May	\$212,259.3	\$213,814.9	(\$1,555.6)	-0.7%		\$221,726.0			3.7%
Total	\$2,270,965.6	\$2,344,457.9	(\$73,492.3)	-3.1%	\$823,169.3	\$2,470,520.9			5.4%
			FIRST 4 MOS. FY'96	—	\$823,169.3	\$876,675.1	(\$53,505.8)	-6.1%	

RESTAURANT/LODGING									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL FY'95	PROJECTED FY'95	DOLLAR VARIANCE	PERCENT VAR.	ACTUAL FY'96	PROJECTED FY'96	DOLLAR VARIANCE	PERCENT VAR.	PROJECTED GROWTH
June	\$149,603.4	\$149,603.4	\$0.0	0.0%	\$152,851.2	\$160,419.7	(\$7,568.5)	-4.7%	7.2%
July	\$186,452.3	\$186,452.3	\$0.0	0.0%	\$206,979.6	\$197,714.0	\$9,265.6	4.7%	6.0%
August	\$217,249.6	\$217,249.6	\$0.0	0.0%	\$223,487.3	\$230,371.5	(\$6,884.2)	-3.0%	6.0%
September	\$158,159.8	\$155,398.9	\$2,760.9	1.8%	\$171,296.7	\$164,785.0	\$6,511.7	4.0%	6.0%
October	\$123,092.2	\$129,598.0	(\$6,505.8)	-5.0%		\$136,479.7			5.3%
November	\$89,994.6	\$86,459.3	\$3,535.3	4.1%		\$91,050.3			5.3%
December	\$101,539.2	\$100,995.6	\$543.6	0.5%		\$106,358.5			5.3%
January	\$81,244.7	\$76,607.1	\$4,637.6	6.1%		\$81,188.2			6.0%
February	\$84,892.6	\$84,462.0	\$430.6	0.5%		\$89,512.8			6.0%
March	\$92,587.0	\$87,053.2	\$5,533.8	6.4%		\$92,259.0			6.0%
April	\$97,462.1	\$99,417.2	(\$1,955.1)	-2.0%		\$105,332.5			5.9%
May	\$111,321.7	\$117,412.6	(\$6,090.9)	-5.2%		\$124,398.6			5.9%
Total	\$1,493,599.2	\$1,490,709.2	\$2,890.0	0.2%	\$754,614.8	\$1,579,869.8			6.0%
			FIRST 4 MOS. FY'96	---	\$754,614.8	\$753,290.2	\$1,324.6	0.2%	

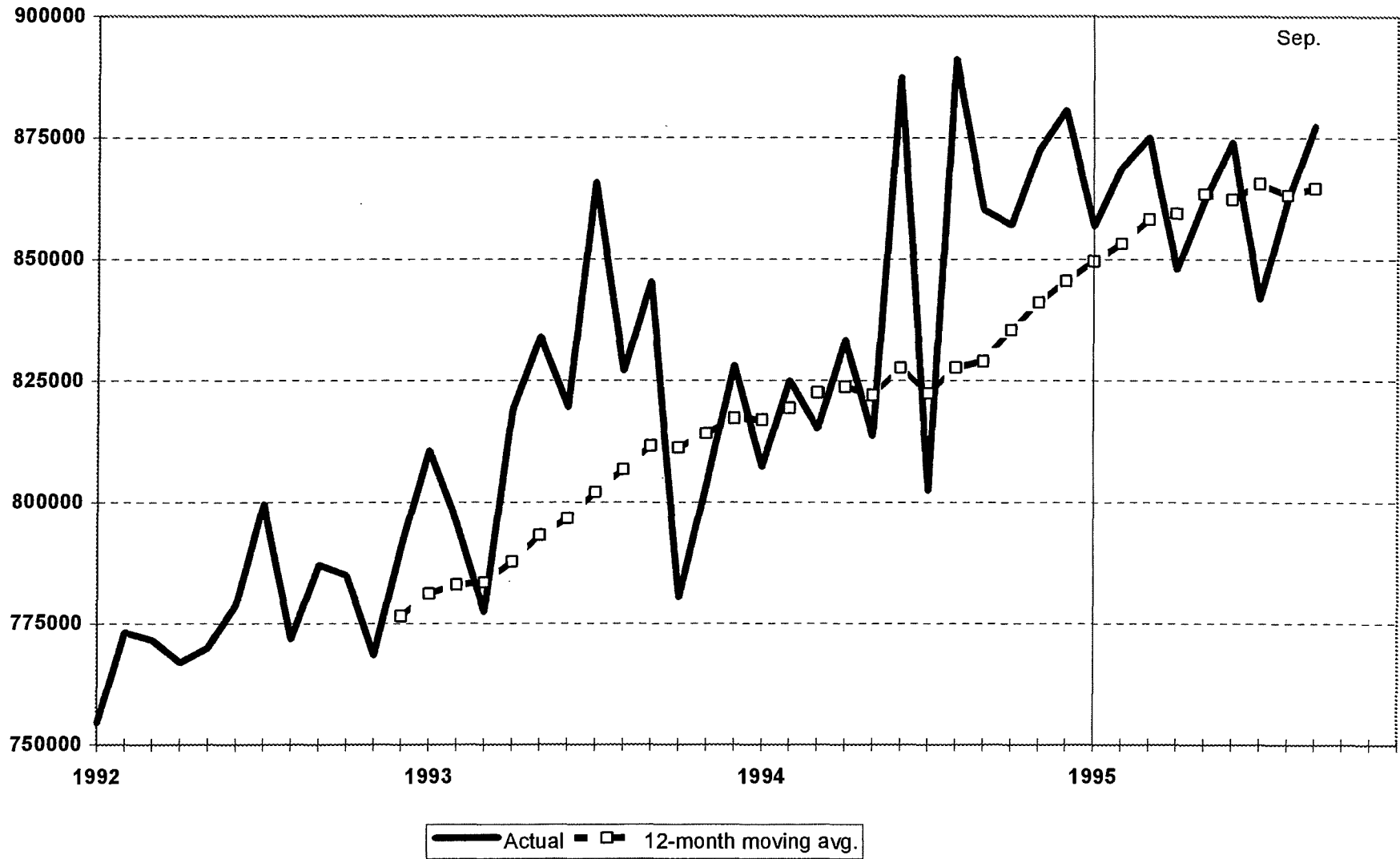
<b>BUSINESS OPERATING</b>									
<b>TAXABLE SALES IN THOUSANDS OF DOLLARS</b>									
<b>(11/23/94 forecast used actuals through 8/94)</b>									
<b>MONTH</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DOLLAR</b>	<b>PERCENT</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DOLLAR</b>	<b>PERCENT</b>	<b>PROJECTED</b>
	<b>FY'95</b>	<b>FY'95</b>	<b>VARIANCE</b>	<b>VAR.</b>	<b>FY'96</b>	<b>FY'96</b>	<b>VARIANCE</b>	<b>VAR.</b>	<b>GROWTH</b>
June	\$128,890.3	\$128,890.3	\$0.0	0.0%	\$126,944.9	\$134,007.2	(\$7,062.3)	-5.3%	4.0%
July	\$97,456.1	\$97,456.1	\$0.0	0.0%	\$106,171.1	\$97,641.3	\$8,529.8	8.7%	0.2%
August	\$103,826.9	\$103,826.9	\$0.0	0.0%	\$103,080.9	\$104,024.2	(\$943.3)	-0.9%	0.2%
September	\$117,734.7	\$158,418.4	(\$40,683.7)	-25.7%	\$135,920.8	\$158,719.4	(\$22,798.6)	-14.4%	0.2%
October	\$109,315.5	\$92,863.6	\$16,451.9	17.7%		\$95,166.7			2.5%
November	\$108,966.0	\$88,844.3	\$20,121.7	22.6%		\$91,047.6			2.5%
December	\$135,565.8	\$112,875.3	\$22,690.5	20.1%		\$115,674.6			2.5%
January	\$99,762.6	\$89,972.7	\$9,789.9	10.9%		\$95,668.0			6.3%
February	\$96,459.3	\$90,232.5	\$6,226.8	6.9%		\$95,944.2			6.3%
March	\$109,267.6	\$112,530.4	(\$3,262.8)	-2.9%		\$119,653.6			6.3%
April	\$100,578.2	\$98,716.9	\$1,861.3	1.9%		\$101,777.1			3.1%
May	\$112,912.8	\$103,595.9	\$9,316.9	9.0%		\$106,807.4			3.1%
<b>Total</b>	<b>\$1,320,735.8</b>	<b>\$1,278,223.3</b>	<b>\$42,512.5</b>	<b>3.3%</b>	<b>\$472,117.7</b>	<b>\$1,316,131.3</b>			<b>3.0%</b>
			<b>FIRST 4 MOS. FY'96</b>	<b>---</b>	<b>\$472,117.7</b>	<b>\$494,392.1</b>	<b>(\$22,274.4)</b>	<b>-4.5%</b>	

UTILITIES									
TAXABLE SALES IN THOUSANDS OF DOLLARS									
(11/23/94 forecast used actuals through 8/94)									
MONTH	ACTUAL FY'95	PROJECTED FY'95	DOLLAR VARIANCE	PERCENT VAR.	ACTUAL FY'96	PROJECTED FY'96	DOLLAR VARIANCE	PERCENT VAR.	PROJECTED GROWTH
June	\$68,316.9	\$68,316.9	\$0.0	0.0%	\$70,788.5	\$67,633.7	\$3,154.8	4.7%	-1.0%
July	\$65,589.5	\$65,589.5	\$0.0	0.0%	\$73,665.9	\$65,589.5	\$8,076.4	12.3%	0.0%
August	\$72,210.3	\$72,210.3	\$0.0	0.0%	\$73,968.9	\$72,210.3	\$1,758.6	2.4%	0.0%
September	\$72,490.4	\$72,306.4	\$184.0	0.3%	\$82,037.4	\$72,306.4	\$9,731.0	13.5%	0.0%
October	\$66,574.5	\$62,644.4	\$3,930.1	6.3%		\$62,644.4			0.0%
November	\$63,213.9	\$45,930.9	\$17,283.0	37.6%		\$45,930.9			0.0%
December	\$85,668.2	\$94,315.9	(\$8,647.7)	-9.2%		\$94,315.9			0.0%
January	\$81,281.6	\$81,267.6	\$14.0	0.0%		\$81,267.6			0.0%
February	\$79,659.9	\$79,735.4	(\$75.5)	-0.1%		\$79,735.4			0.0%
March	\$80,259.8	\$74,319.5	\$5,940.3	8.0%		\$74,319.5			0.0%
April	\$71,565.5	\$64,206.9	\$7,358.6	11.5%		\$64,206.9			0.0%
May	\$66,859.1	\$61,570.7	\$5,288.4	8.6%		\$61,570.7			0.0%
Total	\$873,689.6	\$842,414.4	\$31,275.2	3.7%	\$300,460.7	\$841,731.2			-0.1%
			FIRST 4 MOS. FY'96	————	\$300,460.7	\$277,739.9	\$22,720.8	8.2%	

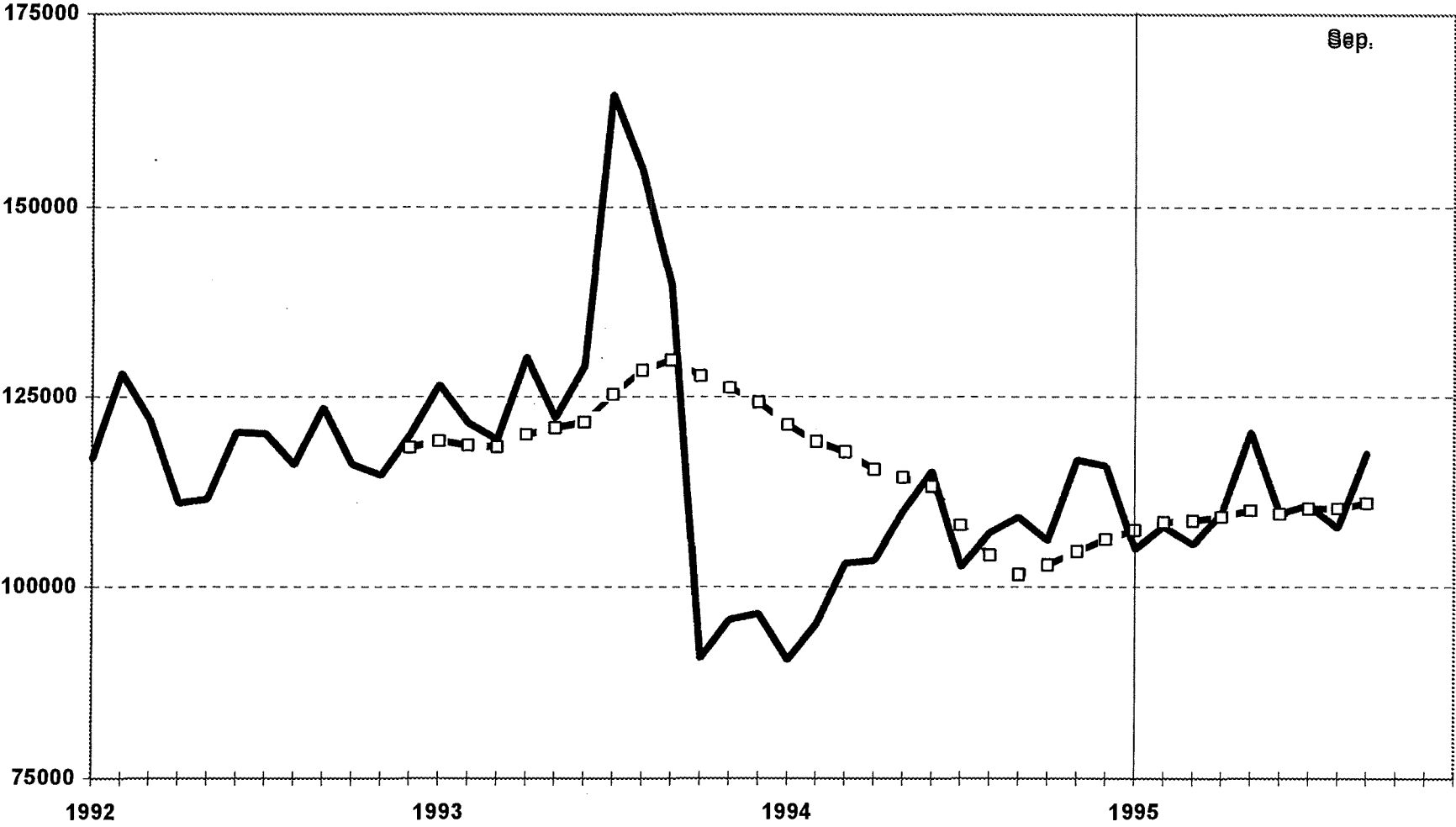


<b>PROJECTED FY'96 TAXABLE SALES</b>									
<b>(IN THOUSANDS OF DOLLARS)</b>									
		<b>TAXABLE SALES</b>	<b>% OF TOTAL</b>						
<b>BUSINESS OPERATING</b>		<b>\$1,782,915.5</b>	<b>14.9%</b>						
<b>BUILDING SUPPLY</b>		<b>\$1,171,770.3</b>	<b>9.8%</b>						
<b>FOOD STORES</b>		<b>\$1,136,767.0</b>	<b>9.5%</b>						
<b>GENERAL MERCHANDISE</b>		<b>\$2,010,326.4</b>	<b>16.8%</b>						
<b>OTHER RETAIL</b>		<b>\$1,108,121.0</b>	<b>9.3%</b>						
<b>AUTO/TRANSPORTATION</b>		<b>\$2,344,457.9</b>	<b>19.6%</b>						
<b>RESTAURANT/LODGING</b>		<b>\$1,579,869.8</b>	<b>13.2%</b>						
<b>UTILITIES</b>		<b>\$841,731.2</b>	<b>7.0%</b>						
<b>TOTAL</b>		<b>\$11,975,959.1</b>	<b>100.0%</b>						

**Total Retail Sales (not including utility sales)**  
**(seas. adjusted \$1,000's)**

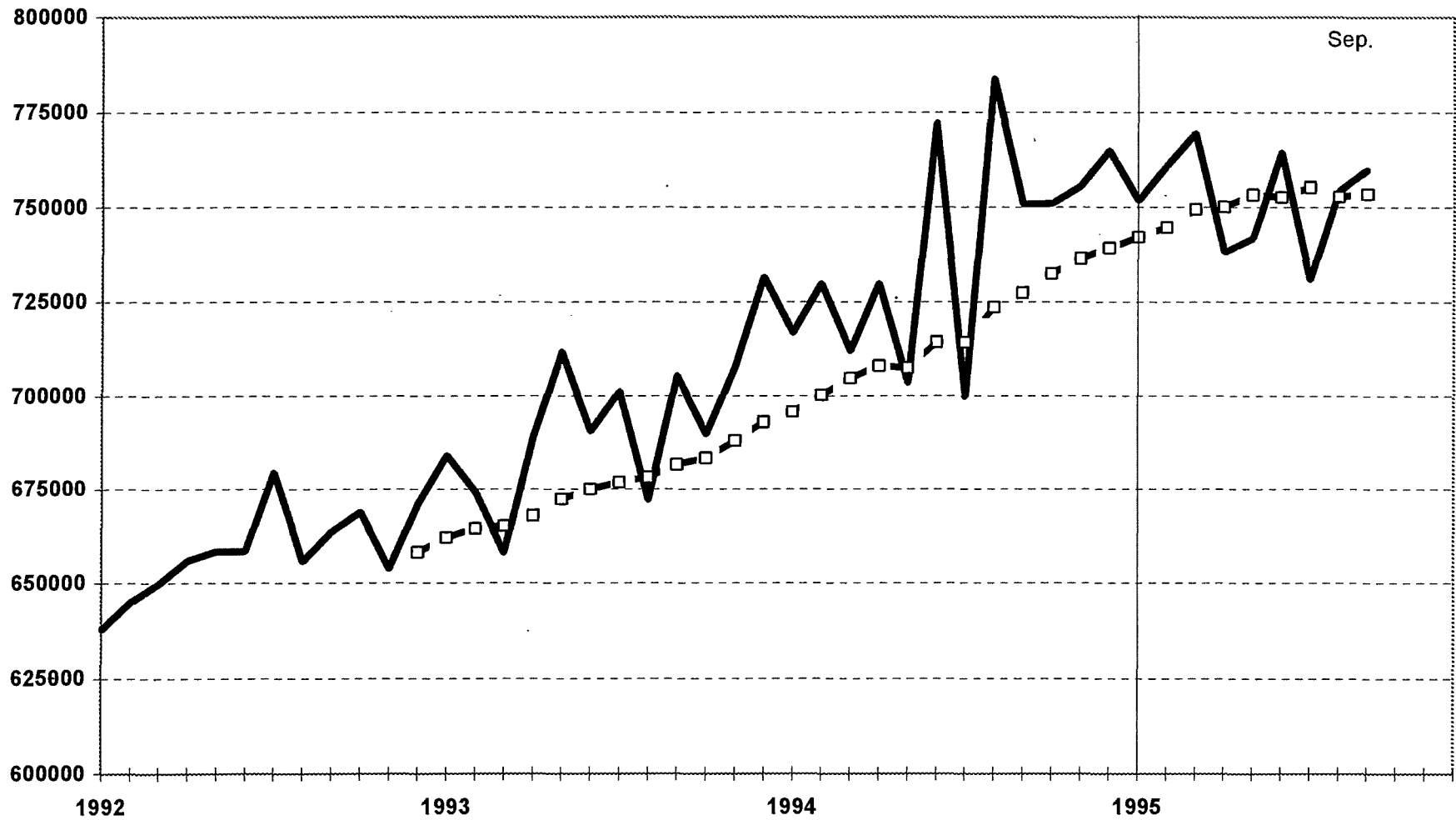


**Business Operating Sales**  
(seas. adjusted \$1,000's)



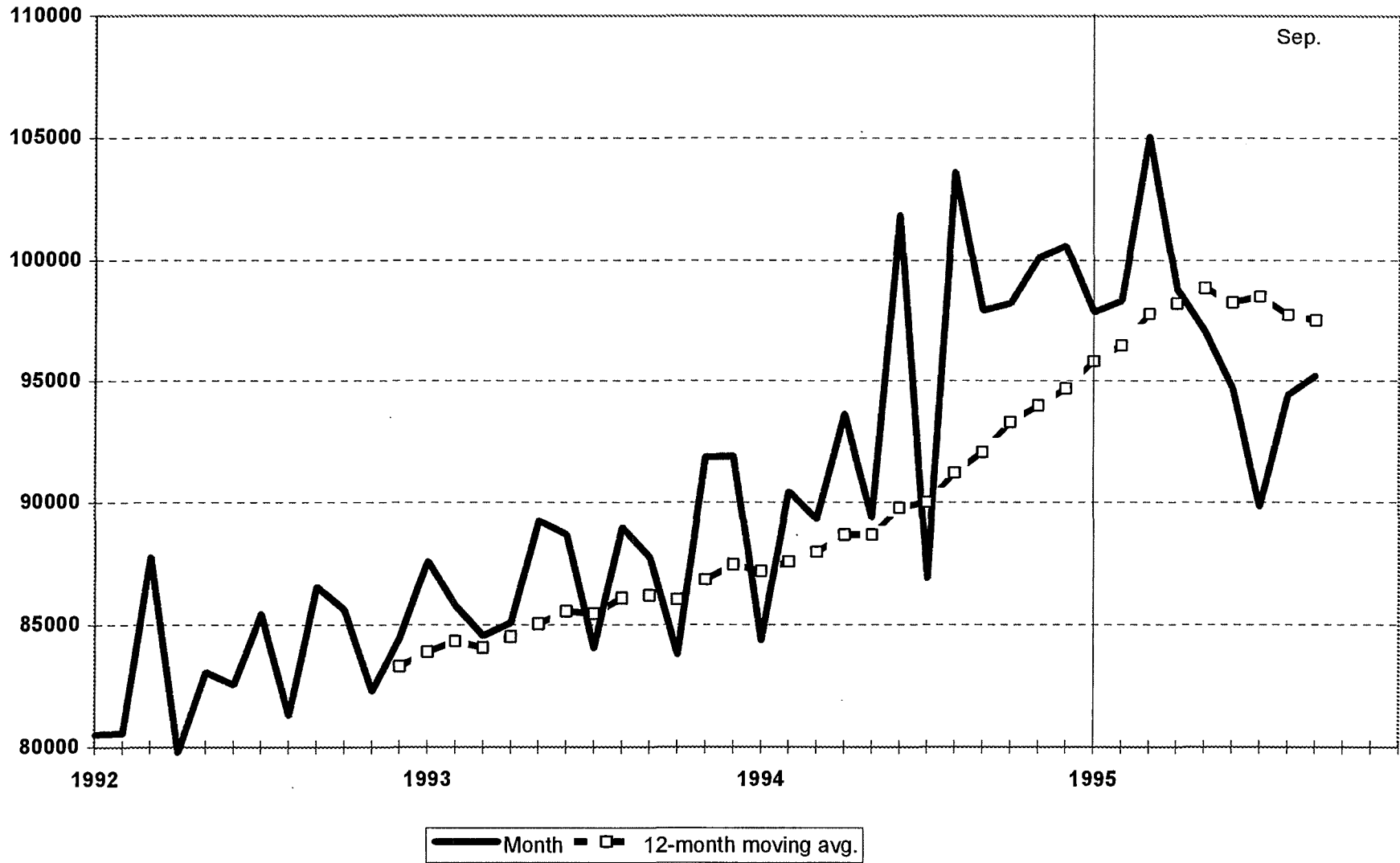
— Actual    □ 12-month moving avg.

**Consumer Retail Sales**  
(seas. adjusted \$1,000's)



— Month    □ 12-month moving avg.

**Building Supply Sales**  
(seas. adjusted \$1,000's)

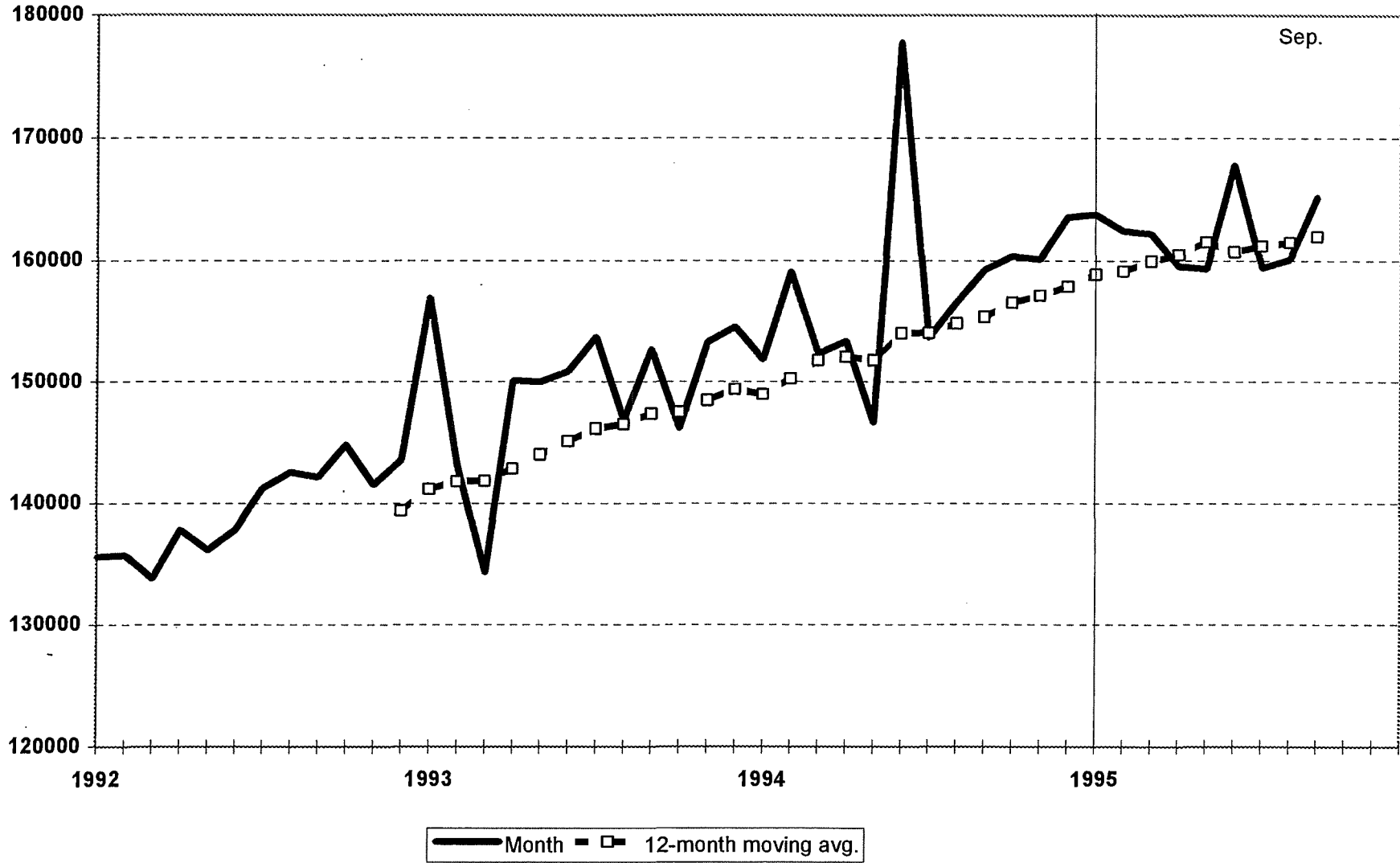


**Food Store Sales**  
(seas. adjusted \$1,000's)

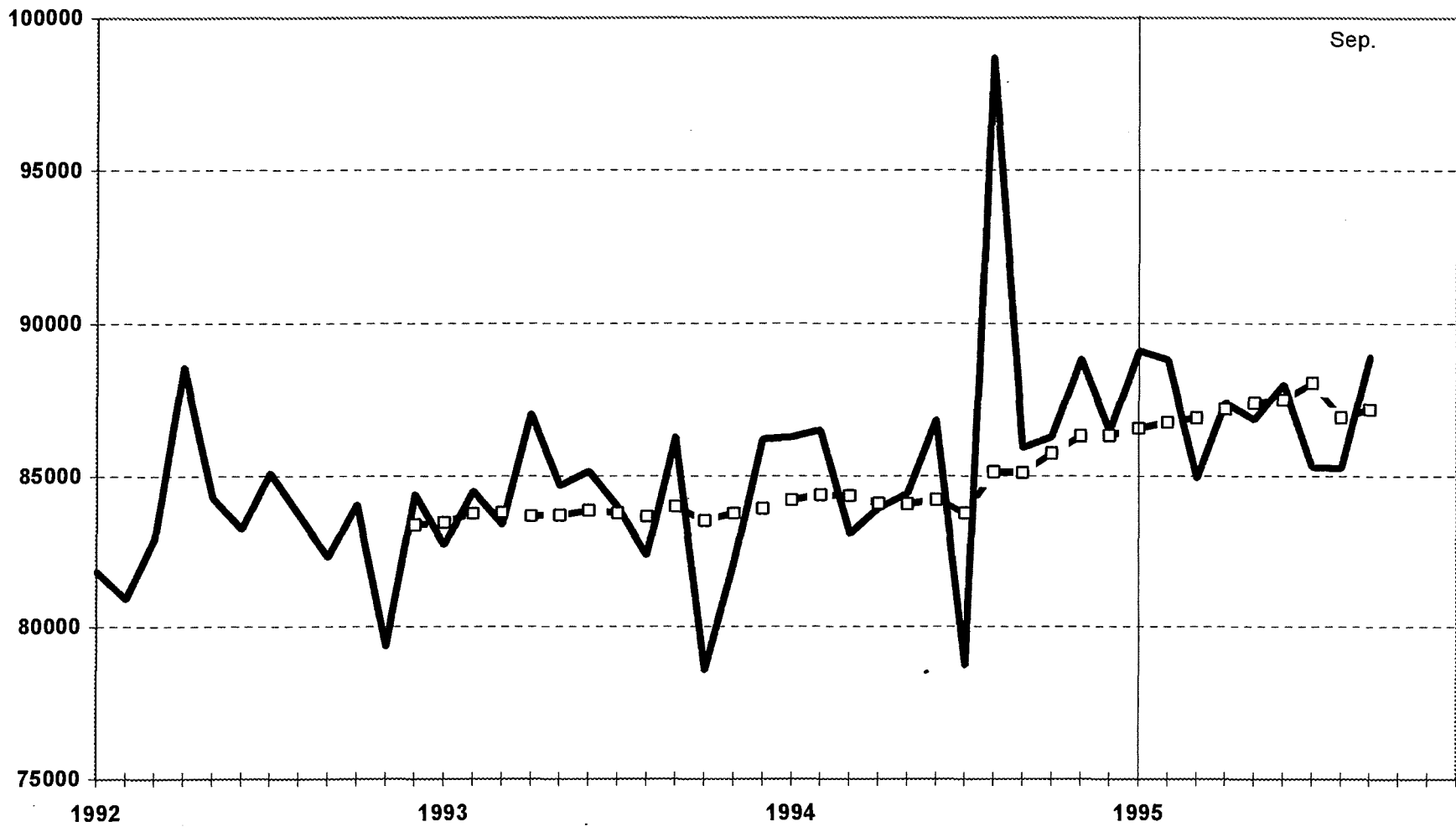


— Month    □ 12-month moving avg.

**General Merchandise Sales**  
(seas. adjusted \$1,000's)



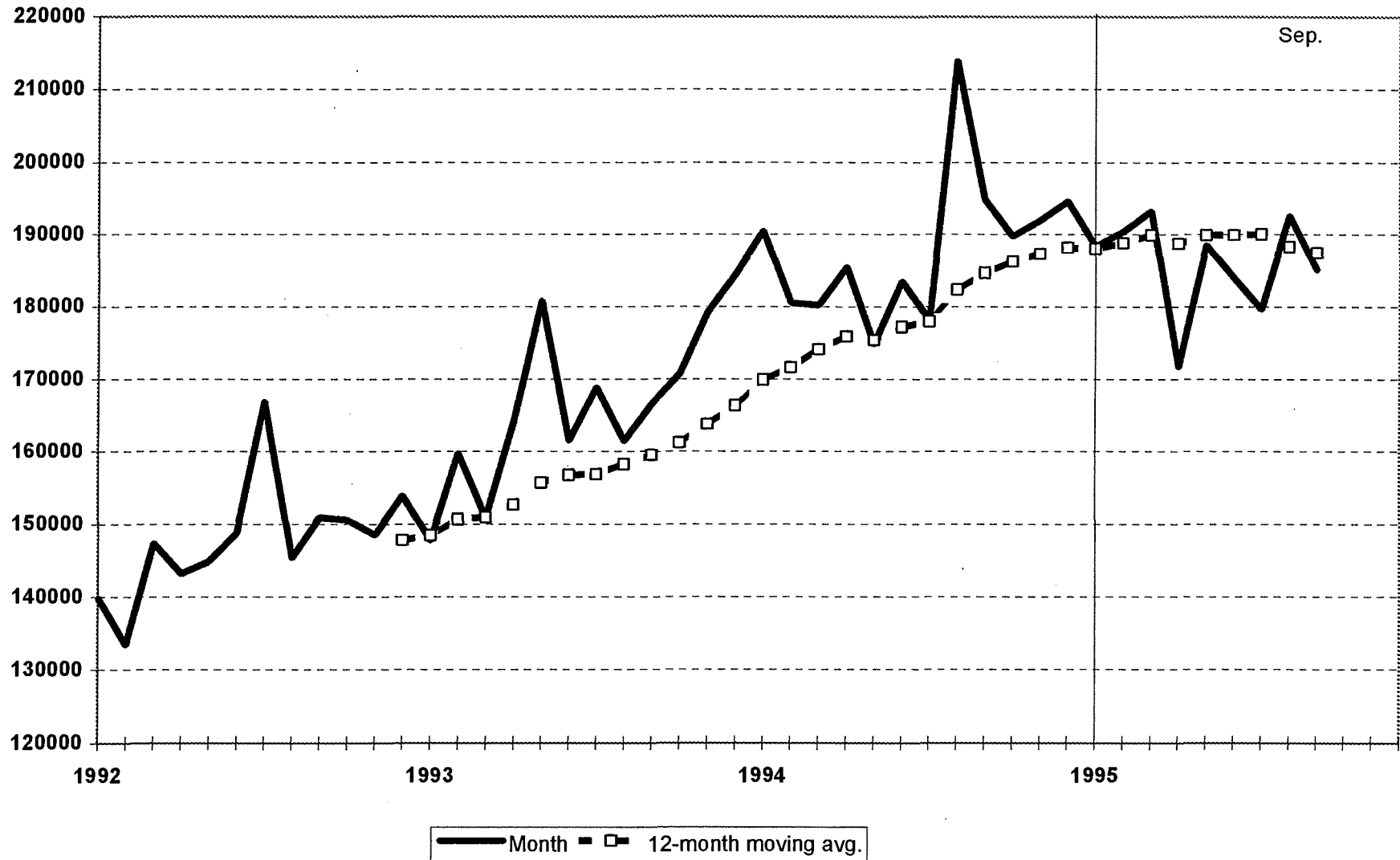
**"Other" Retail Sales**  
(seas. adjusted \$1,000's)



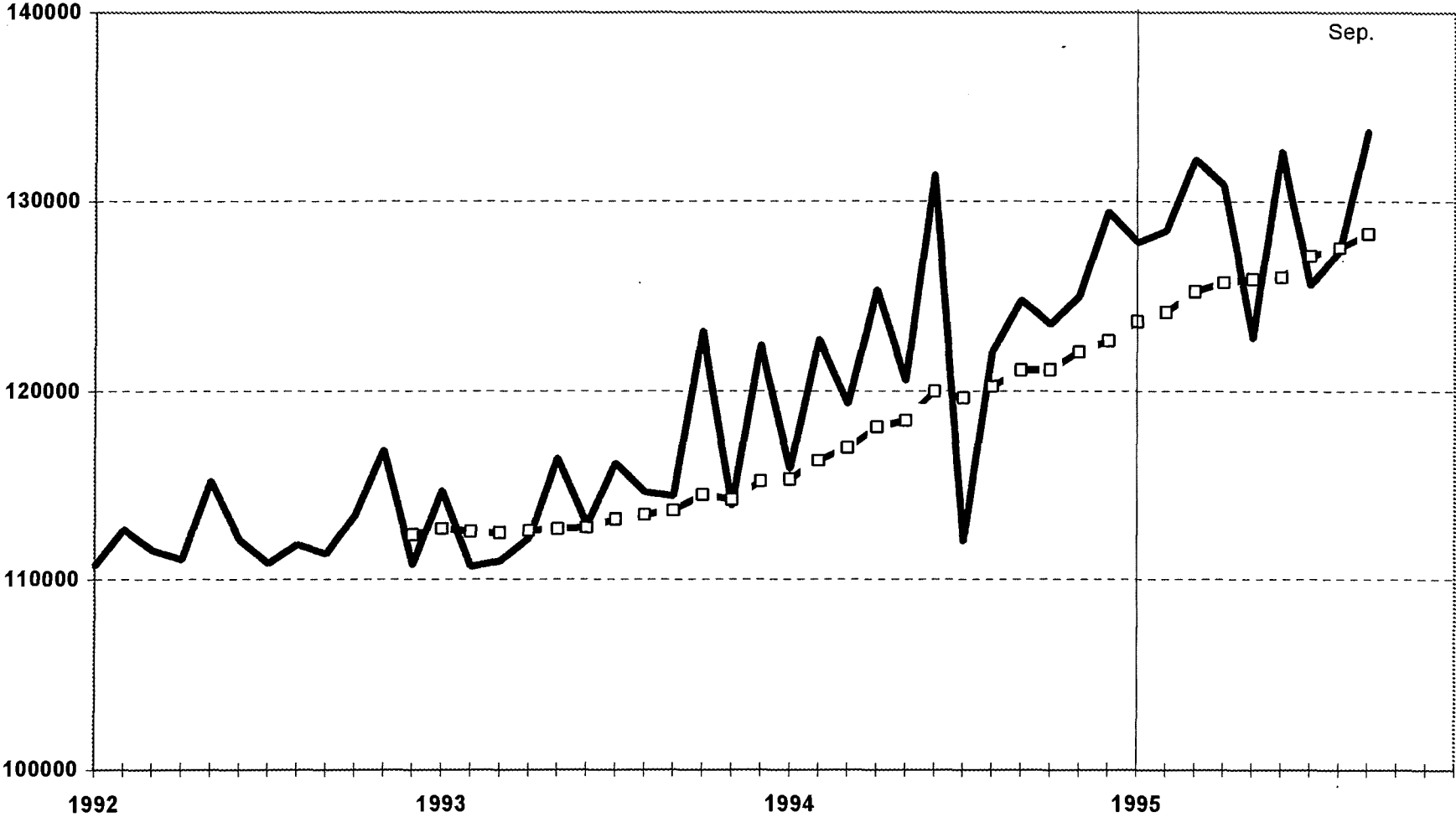
— Month    □ 12-month moving avg.



**Auto/Transp. Sales**  
(seas. adjusted \$1,000's)



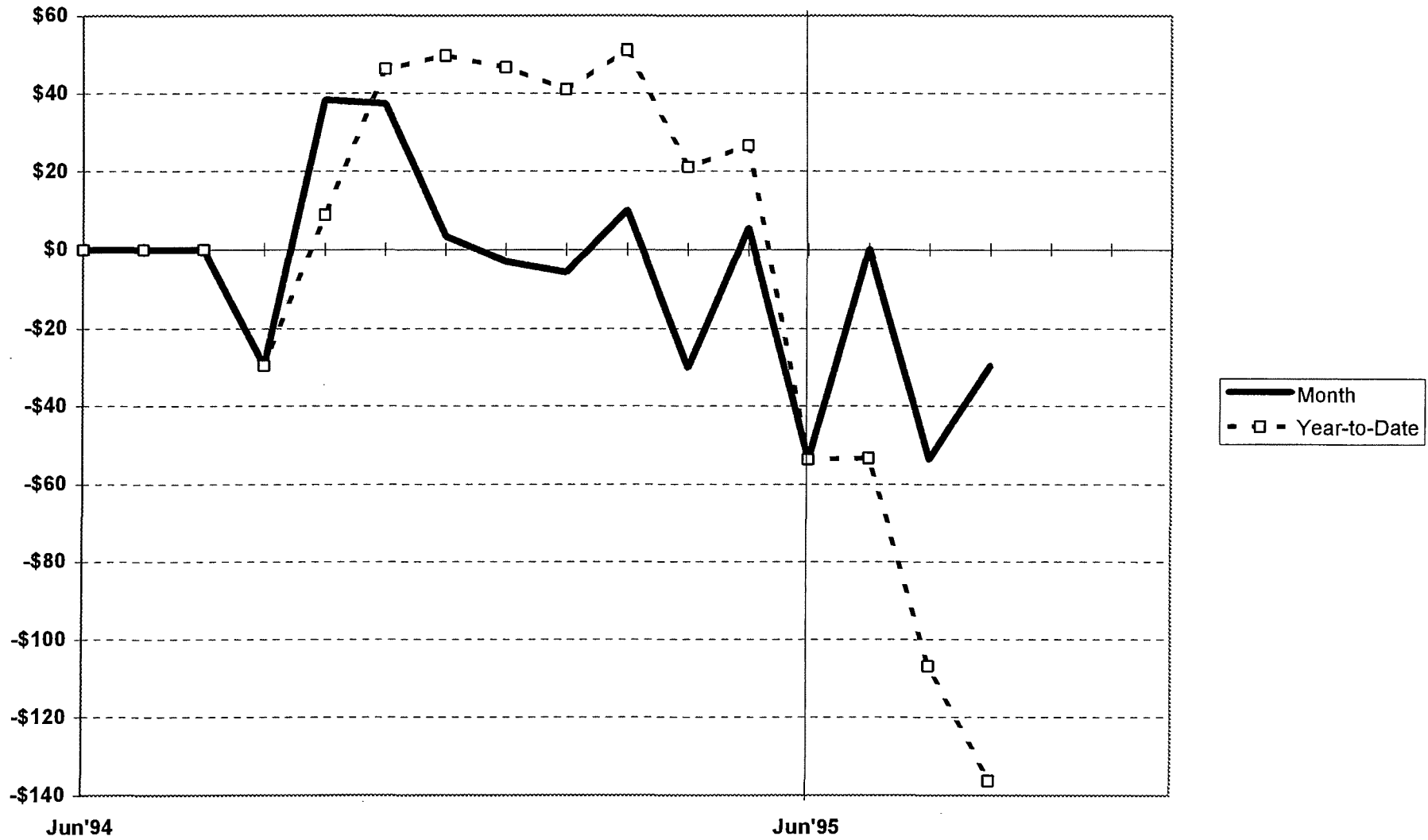
**Restaurant/Lodging Sales**  
(seas. adjusted \$1,000's)



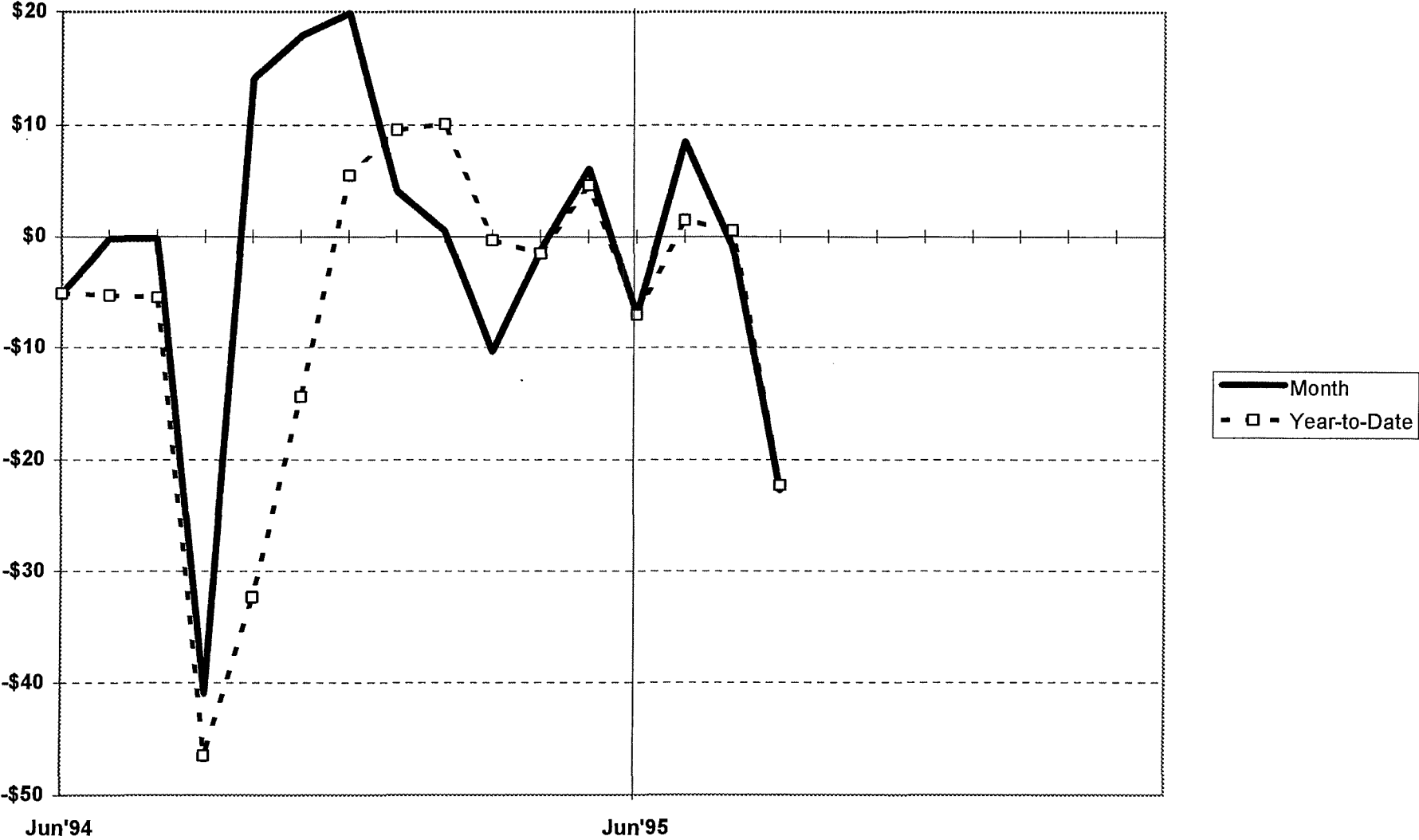
— Month    - □ - 12-month moving avg.



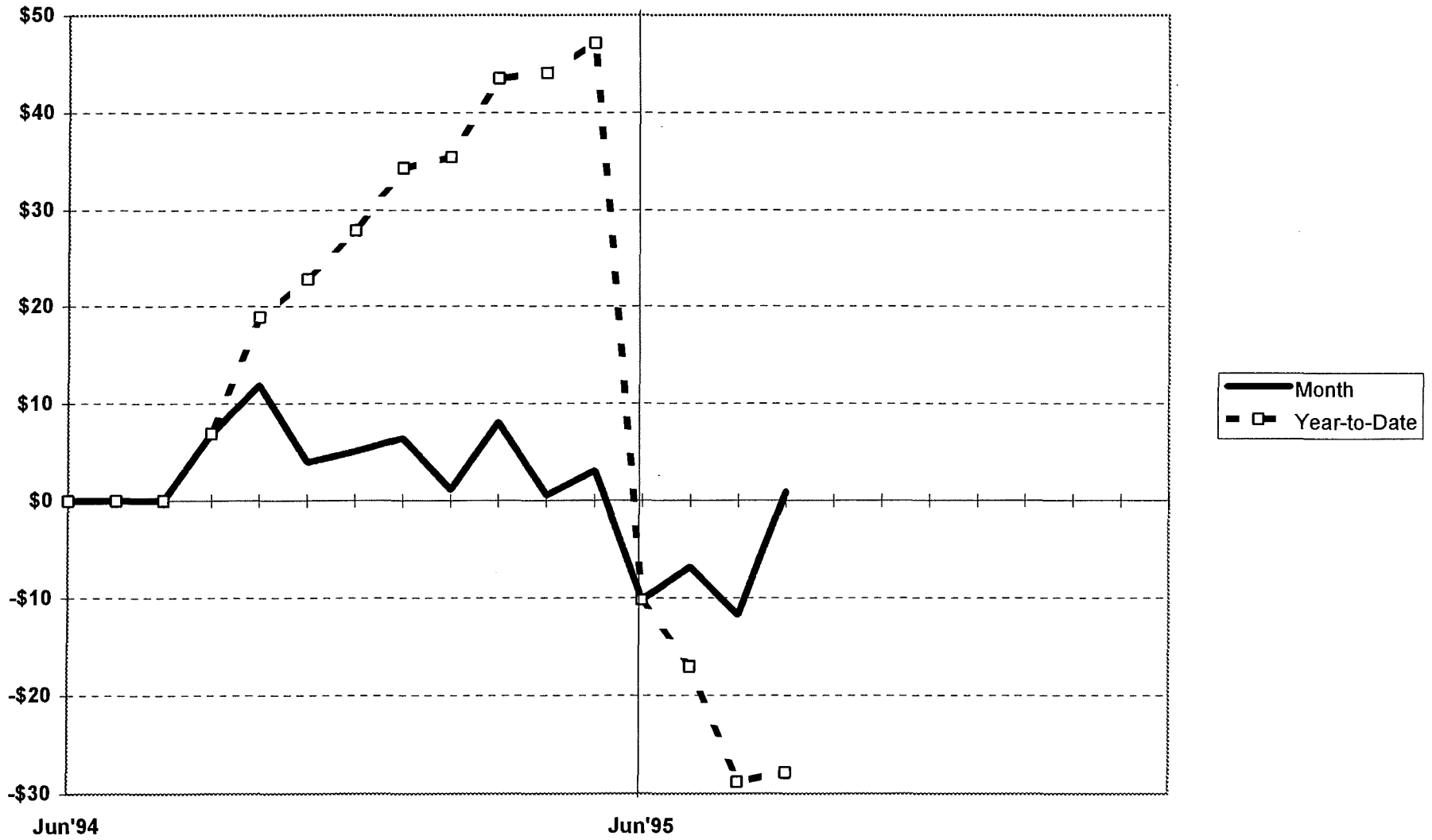
**Total Retail Sales (includes utilities)  
Actual - Projected (mil. \$)**



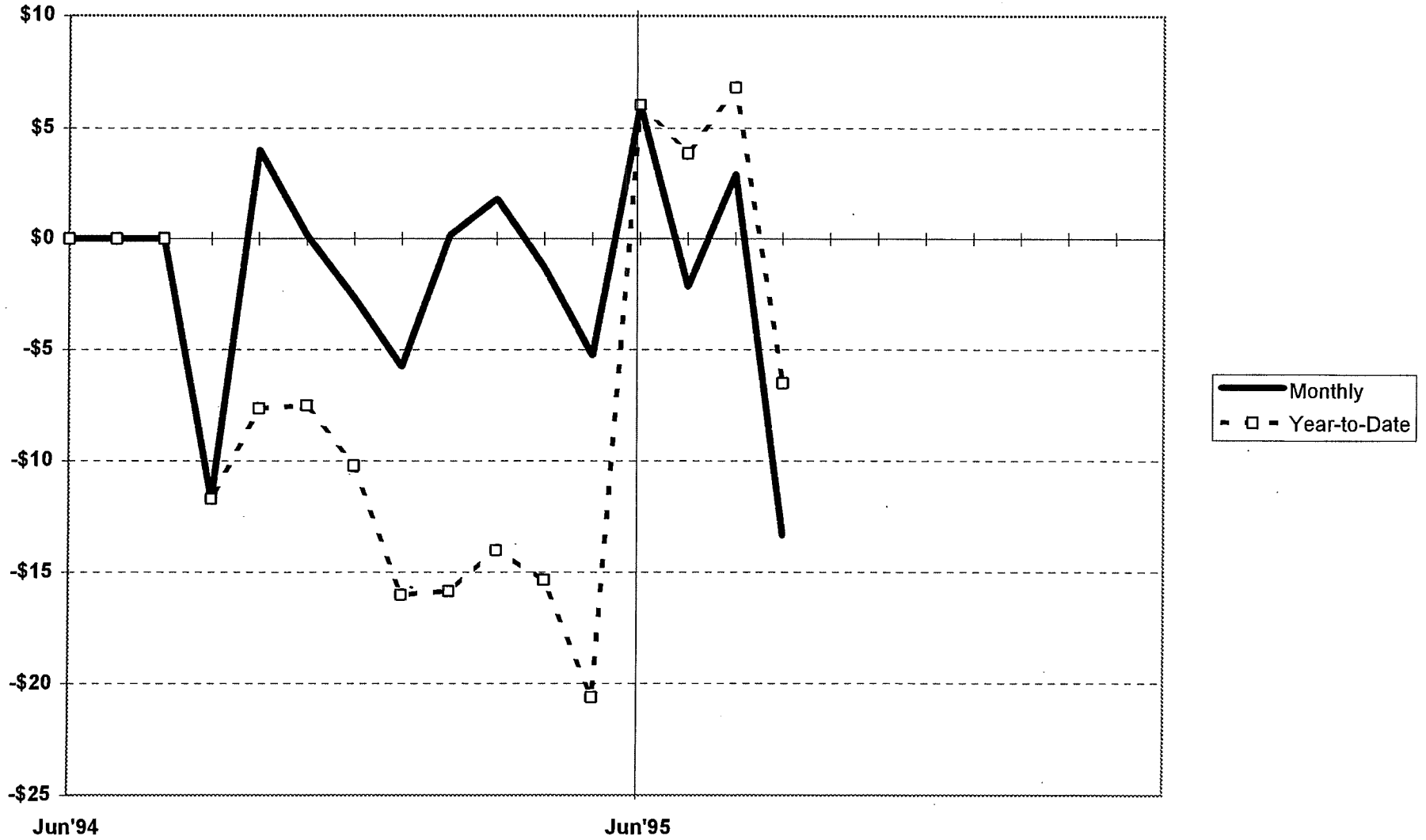
**Business Operating Sales  
Actual - Projected (mil. \$)**



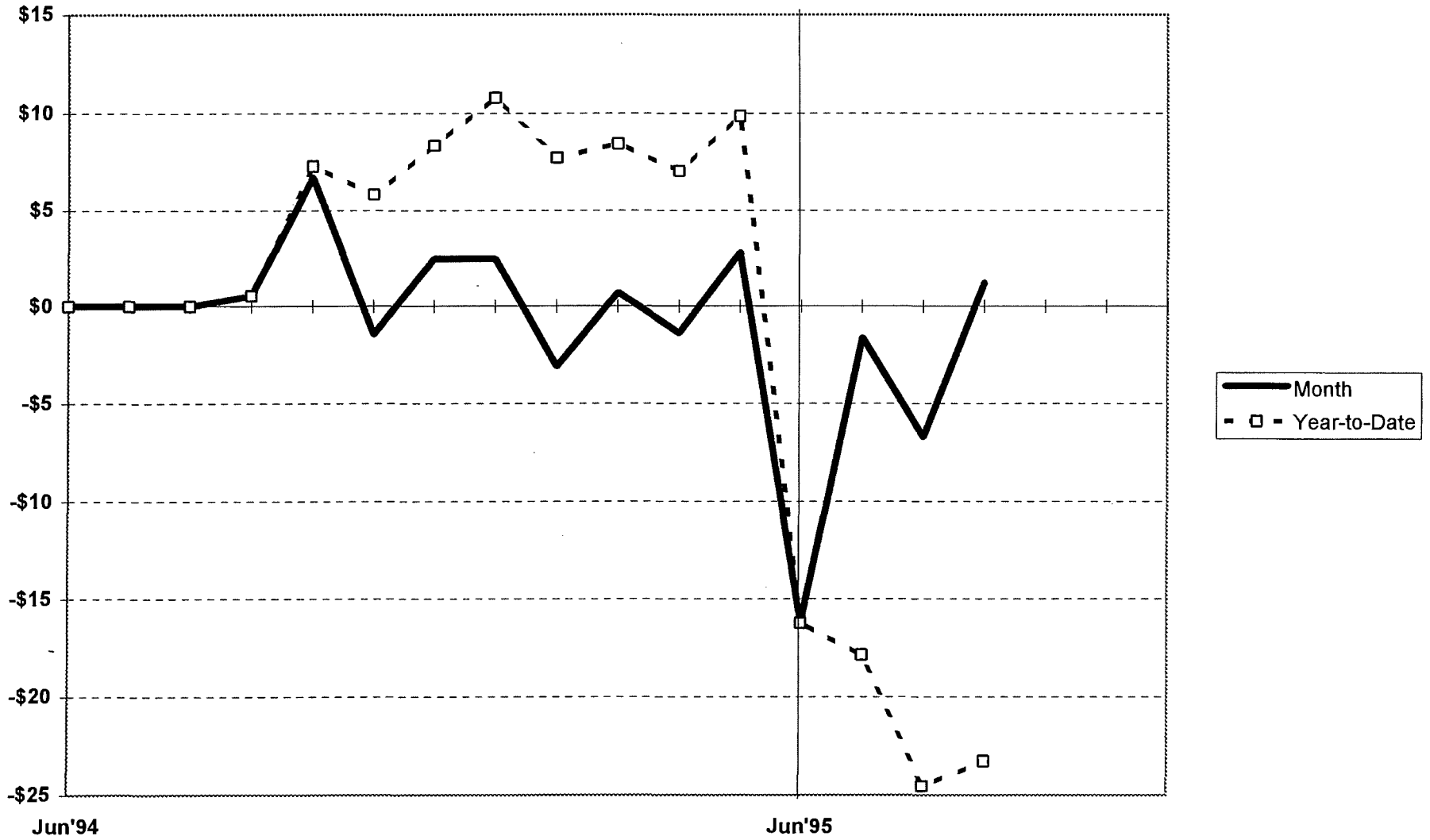
### Building Supply Sales Actual - Projected (mil. \$)



**Food Store Sales  
Actual - Projected (mil. \$)**

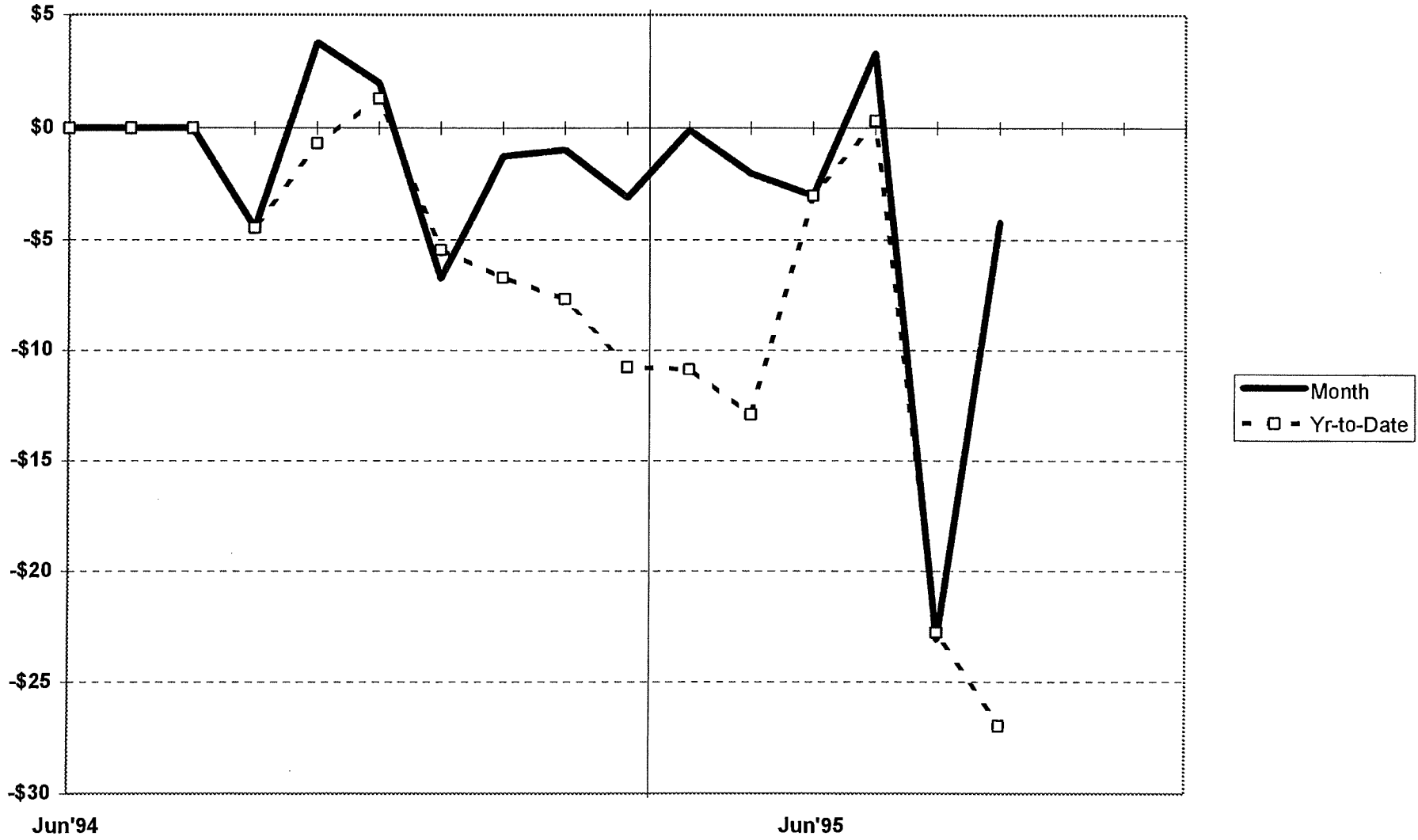


**General Mdse. Sales  
Actual - Projected (mil. \$)**

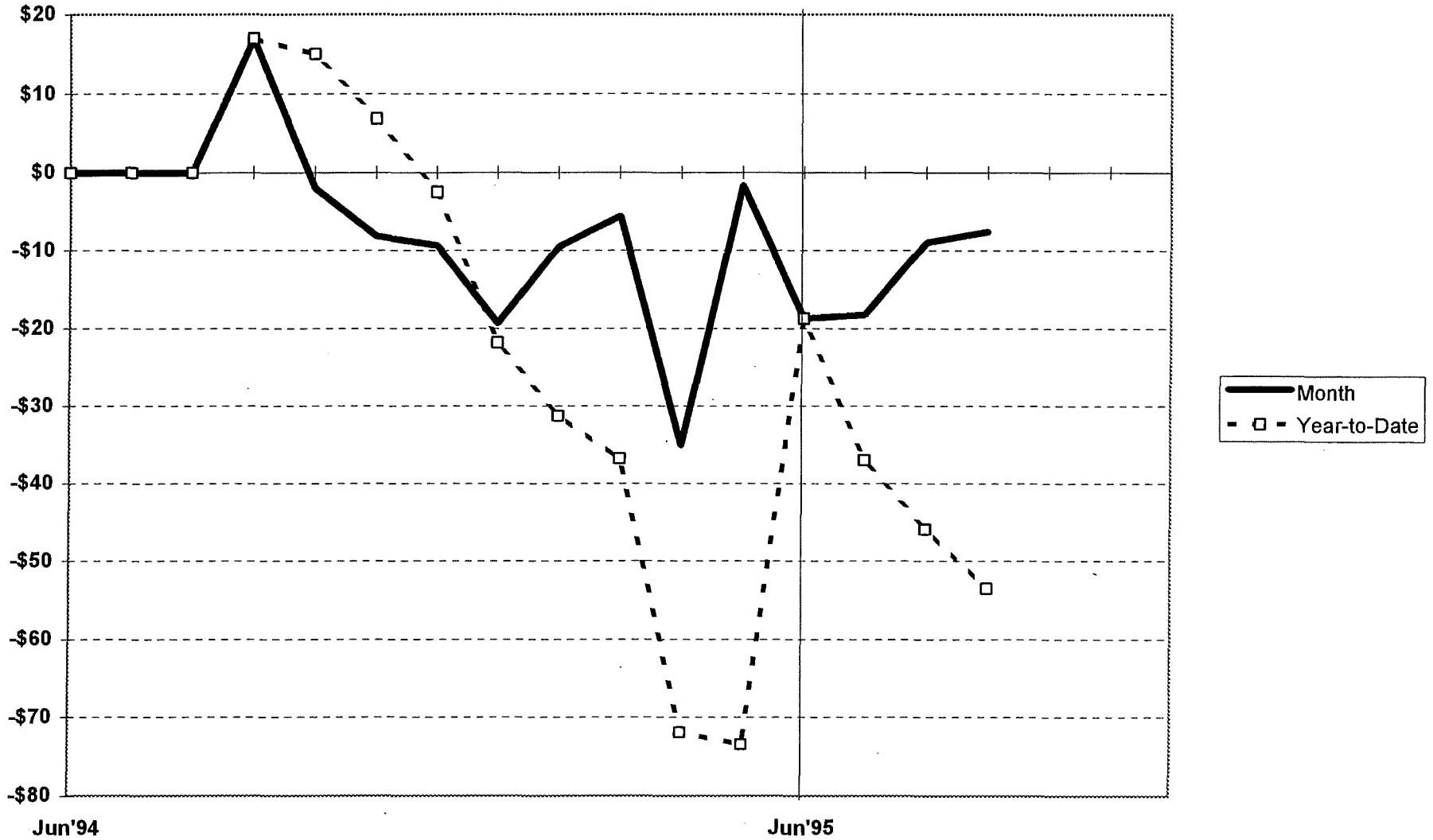




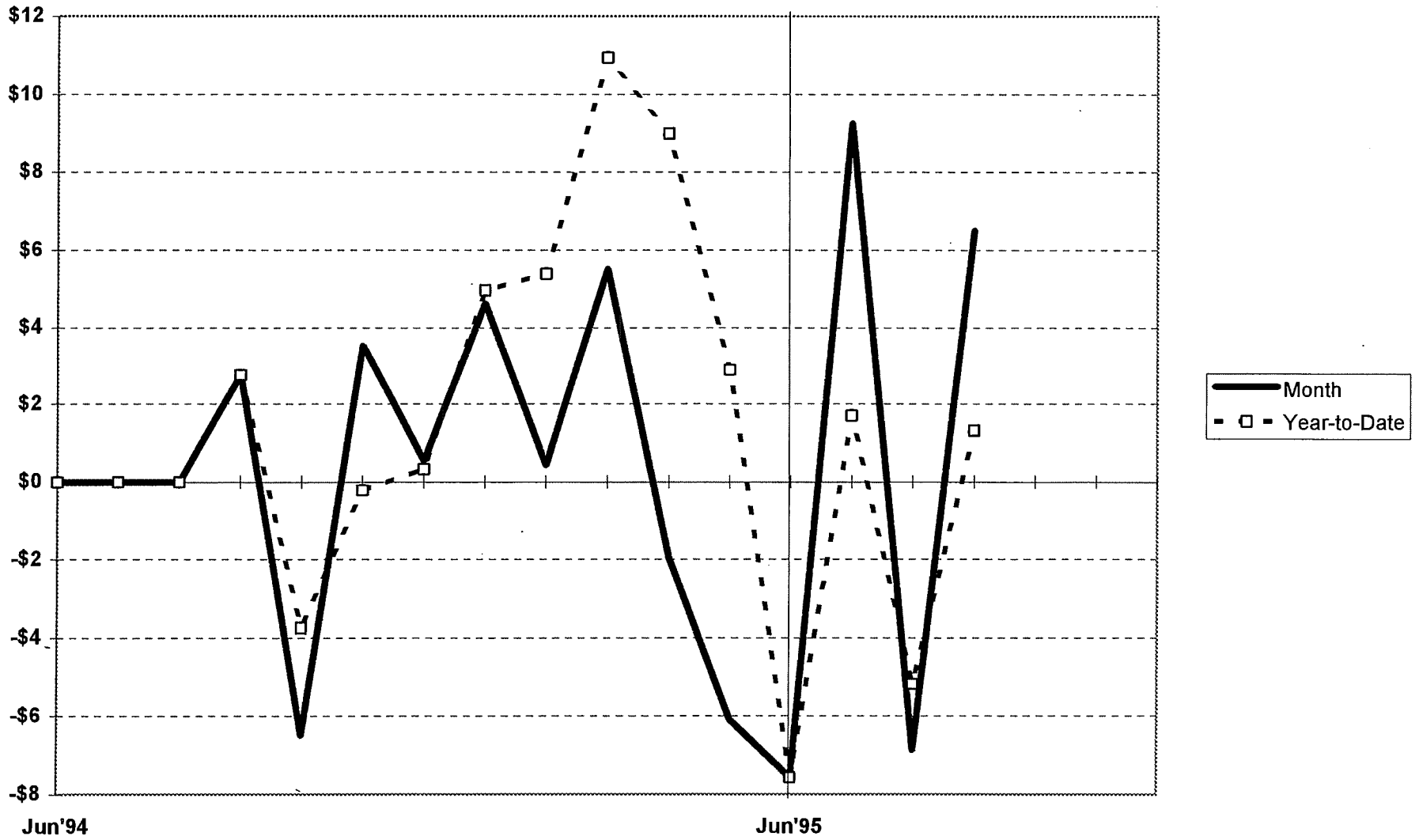
**Other Retail Sales  
Actual - Projected (mil. \$)**



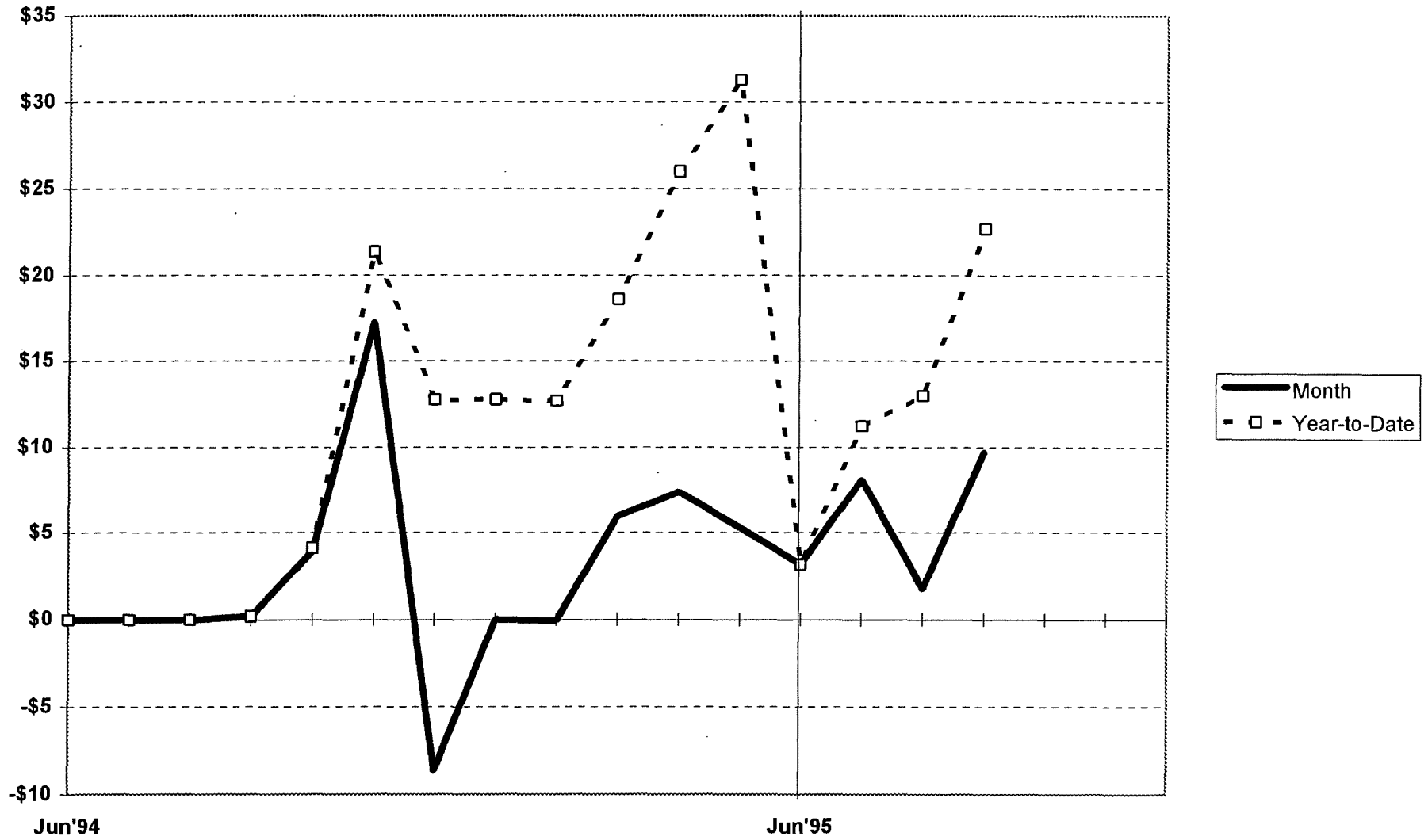
**Auto/Transportation Sales  
Actual - Projected (mil. \$)**



**Restaurant/Lodging Sales  
Actual - Projected (mil. \$)**

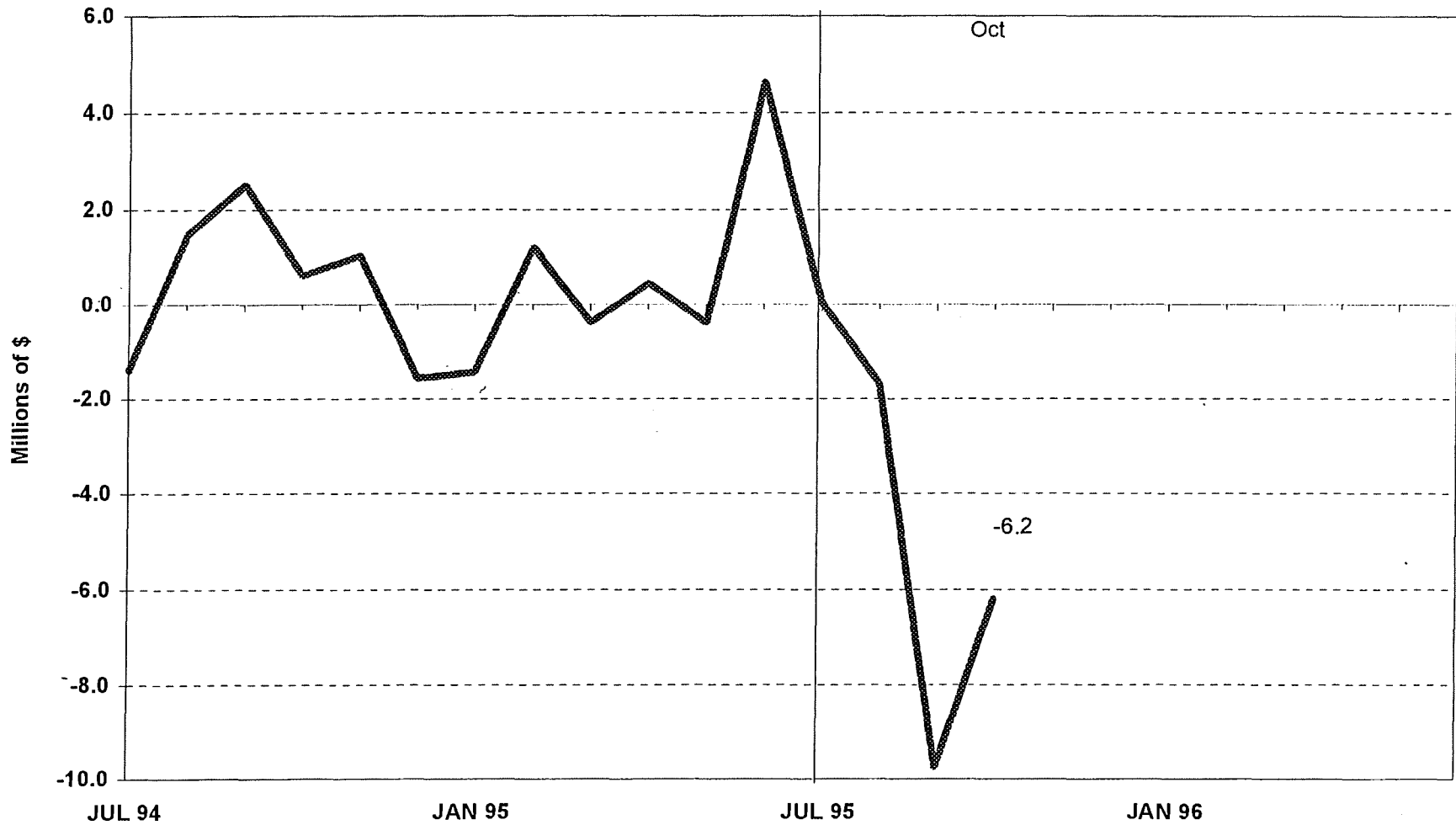


**Utilities Sales**  
**Actual - Projected (mil. \$)**



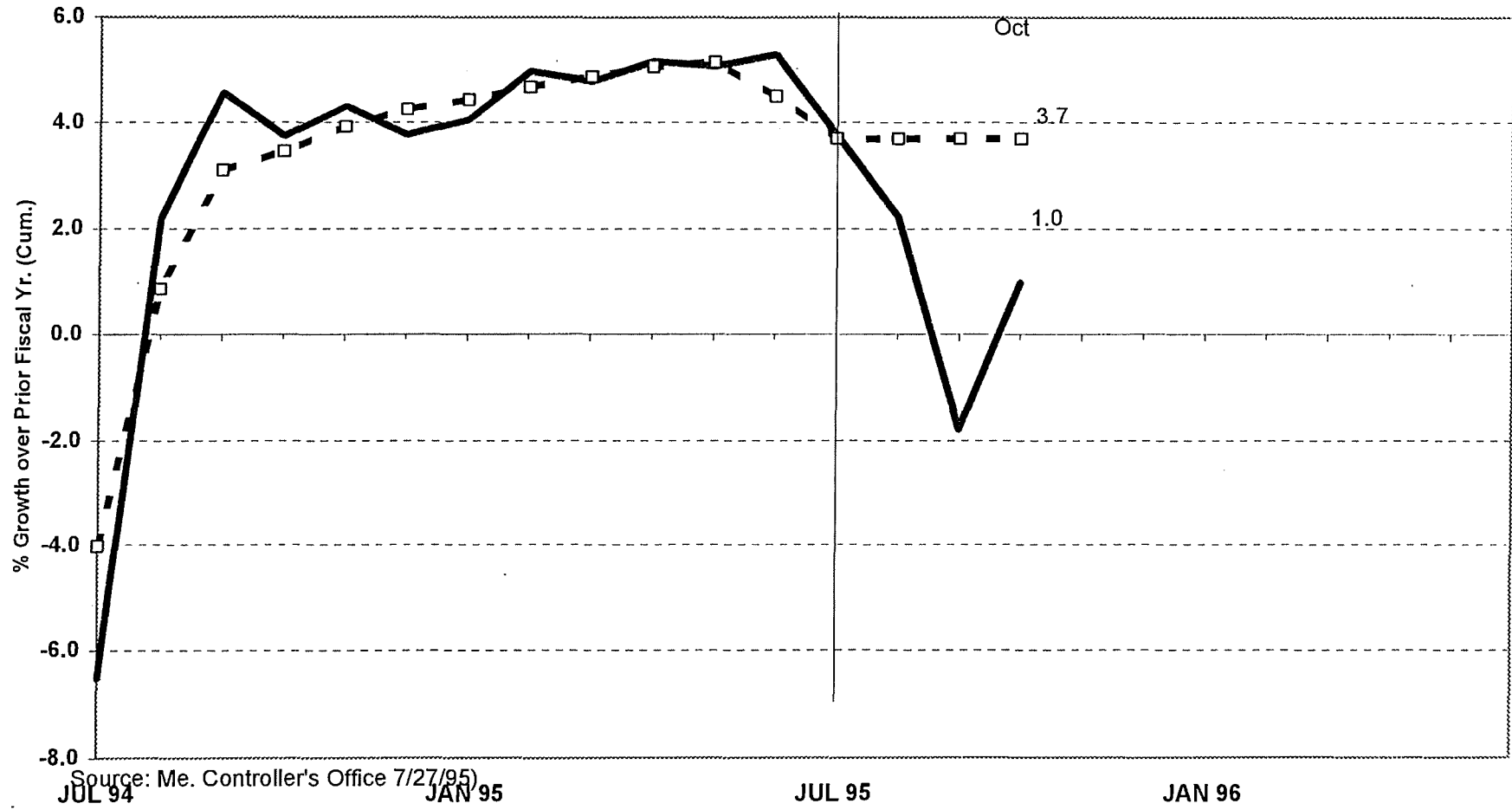


### Sales Tax Revenues (Fiscal Year-to-Date Surplus)



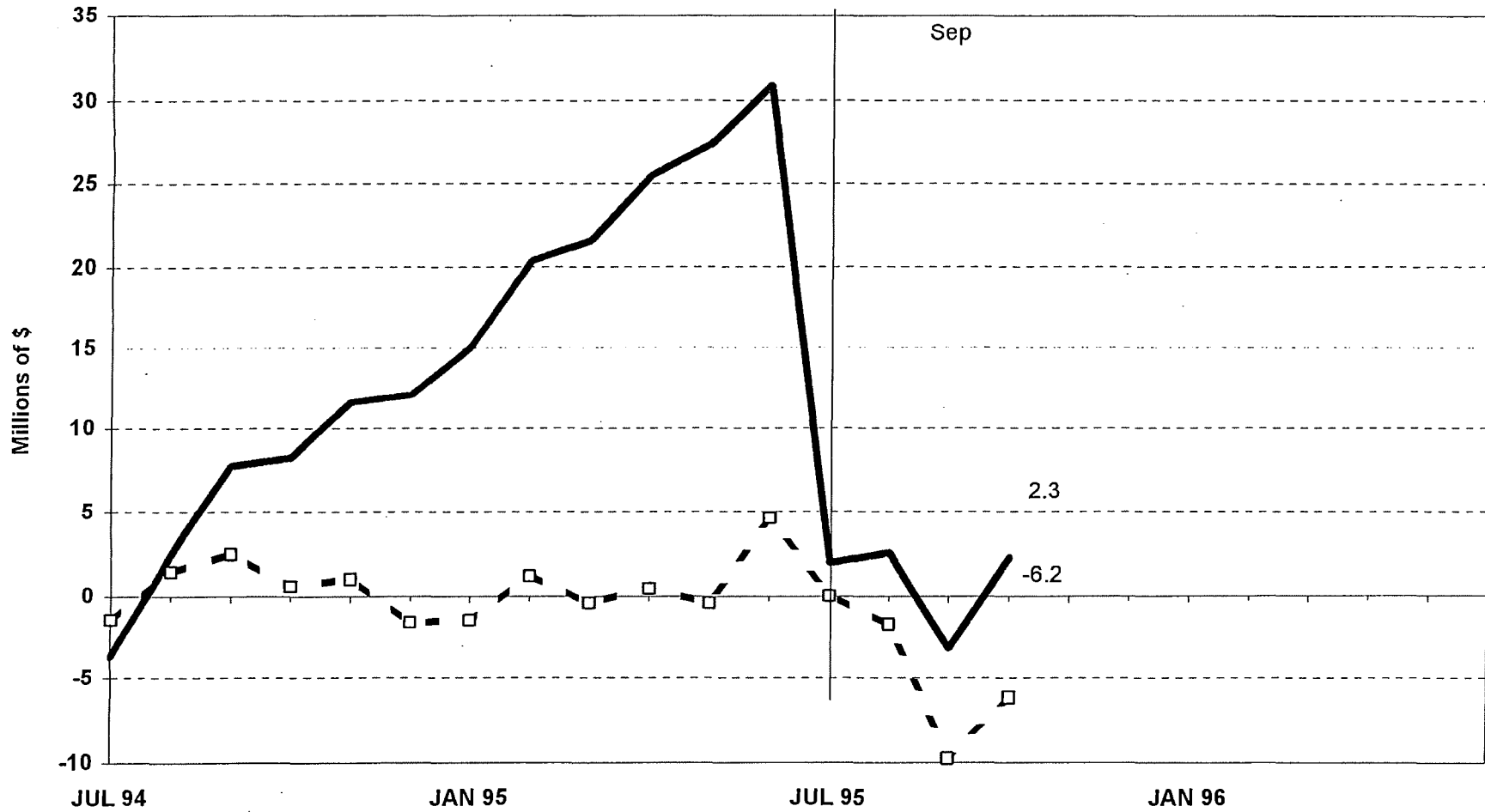
Source: Me. Controller's Office (7/27/95)

### YTD Growth in Sales Tax Revenues Actual vs. Budget (Fiscal YTD)



— Actual    - - Budget

### Sales Tax Revenues (Increase from Yr-ago & YTD Surplus)



Source: Maine Controller's Office (7/27/95)

■ □ Surplus — Increase