

MAINE STATE LEGISLATURE

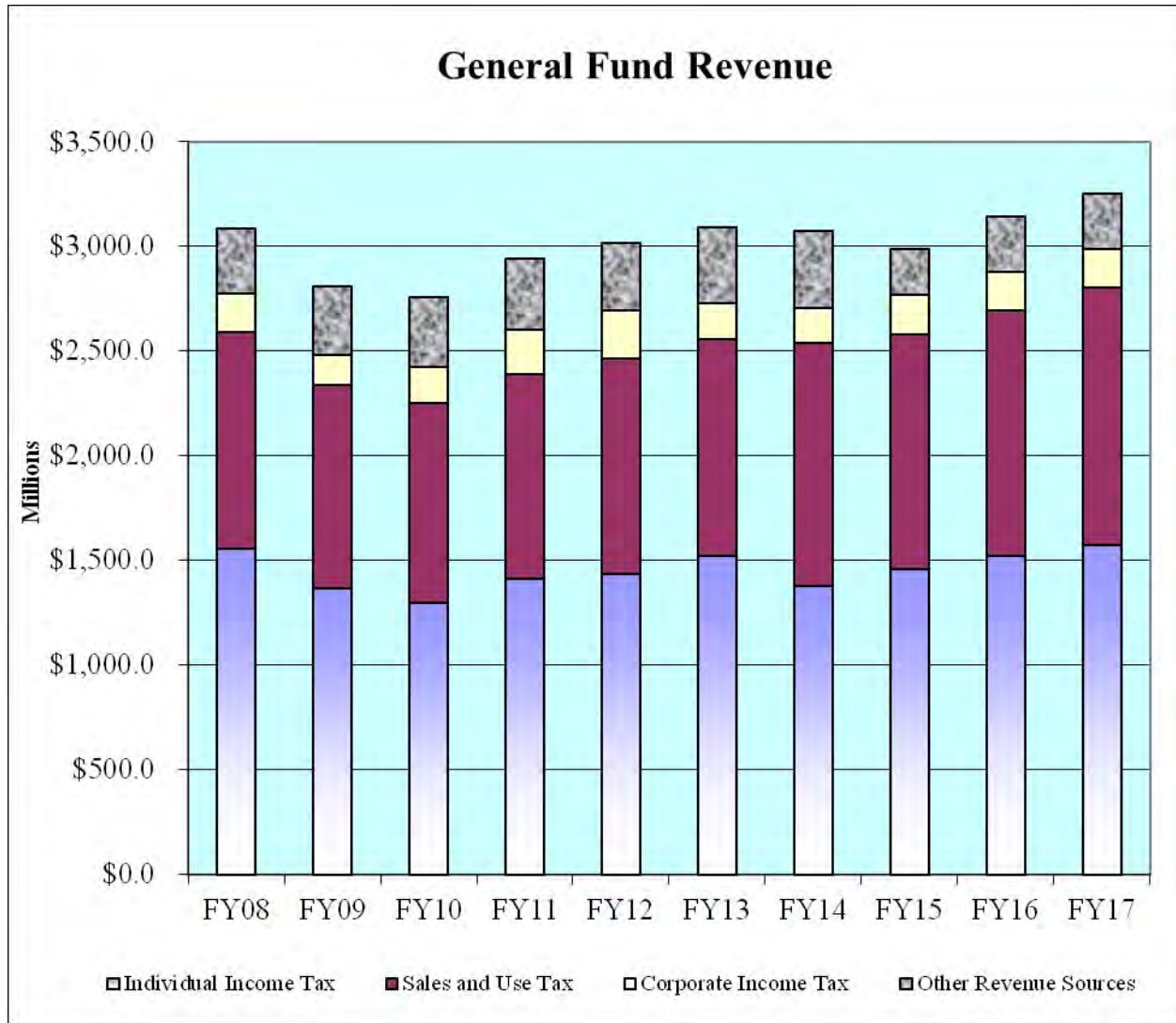
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REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

March 2014



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Report of the Maine State Revenue Forecasting Committee March 2014 Forecast

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Introduction

The Revenue Forecasting Committee (RFC) met on February 21, 2014 to review and update the current revenue forecast to comply with this year's statutory reporting date of March 1st. The RFC revised its revenue projections through the fiscal year ending June 30, 2017 based on the new economic forecast by the Consensus Economic Forecasting Commission for its February 1st reporting date, updated tax data and a review of recent experience. The RFC updated its forecasts for the General Fund, Highway Fund, Fund for a Healthy Maine and Medicaid/MaineCare Dedicated Revenue Taxes.

Summary of Economic Forecast

This update of the revenue forecast included a review of the economic forecast statutorily due by February 1st, three months after the previous revision. The economic forecast was developed by the Consensus Economic Forecasting Commission (CEFC) at its meeting on January 30.

The Maine and U.S. economies continued along the path of gradual improvement since the CEFC met in October 2013, with Maine's economy continuing to grow more slowly than the nation as a whole.

Personal income in Maine grew 2.5% year-over-year in the first three quarters of 2013, while wage and salary income, which makes up around half of total personal income, grew 2.7% over the same period. The debt-to-income level for Maine businesses and households jumped to pre-recession levels in the second quarter of 2013. The Consumer Price Index was 1.5% higher in December 2013 than it was in December 2012.

Nationwide, consumer sentiment increased 9.9% month-over-month in December while small business optimism increased 1.5% over the month and was up 6.7% over the previous year's level. The price of crude oil decreased 0.3% in the fourth quarter of 2013 to around \$109 per barrel. Heating oil prices increased slightly through the current heating season while gasoline prices remained relatively steady.

Existing single-family home sales in Maine were up 11.5% in December 2013 compared to December 2012 and housing permits for the December 2012-November 2013 year were 14.4% higher than the previous 12-month period. The median home price in the Portland Metropolitan Statistical Area (York, Cumberland, and Sagadahoc Counties) increased 5.3% year-over-year in the third quarter of 2013. Mortgage delinquency rates remain above pre-recession levels but below peak crisis levels. The foreclosure rate in Maine declined in the third quarter of 2013 although it remained above the national rate for a fifth straight quarter.

With only one or two new data points, much of the forecast was left unchanged from the December 2013 forecast. Wage and salary employment, inflation, and several components of personal income were left unchanged. The major revisions to the forecast were to corporate profits and dividends, interest, and rent. Transfer payments were adjusted for 2013 and 2014. Non-farm proprietors' income was adjusted for 2013 only. In each of these cases, the forecast was adjusted to accept the IHS Economics baseline forecast.

The forecasts for wage and salary employment, wage and salary income, and supplements to wages and salaries remain below the Moody's Analytics and IHS Economics forecasts in most years. This is a result of the consensus that these forecasts are based on overly optimistic population projections for the state of Maine, causing employment forecasts, among other things, to grow at an unattainable rate. For this reason, employment and the components of income most closely correlated with employment levels were left unchanged from the previous downward revision.

Total personal income was left unchanged for 2013 and revised downwards by a tenth of a percentage point for each year of 2014-2017. The CEFC accepted the baseline forecast from IHS Economics for corporate profits for all years.

A copy of the February 2014 report of the CEFC and other economic information providing the basis for this revenue forecast is included in Appendix E.

Summary of Revenue Forecast

This new RFC revenue forecast essentially reaffirms the December 1, 2013 revenue forecast. Given the rather modest nature of the adjustments to the economic variables in the CEFC forecast, the economic forecast was not a significant factor in the revisions in this revenue forecast. With the major General Fund taxes tracking very close to budget and very little new data since the last revenue forecast, the RFC is not recommending any significant changes from its last forecast.

The review of recent performance and data related to non-tax revenue lines by a number of different state agencies and staff in the Office of Fiscal and Program Review and the Bureau of the Budget also produced only modest net changes to the fall forecast. The consensus recommendations of this process were reviewed by the RFC at its meeting on February 21st and were accepted. The following tables and narratives highlight the final changes to each of the major funds and revenue sources projected by the RFC as part of this revenue forecast. More detail on each of the funds and revenue sources is provided in the various appendices.

General Fund Summary

| | FY13 Actual | FY14 | FY15 | FY16 | FY17 |
|-------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| Current Forecast | \$3,094,383,842 | \$3,074,377,614 | \$3,275,813,158 | \$3,141,373,000 | \$3,254,534,076 |
| Annual % Growth | 2.6% | -0.6% | 6.6% | -4.1% | 3.6% |
| Net Increase (Decrease) | | (\$223,125) | \$2,488,233 | \$63,134 | (\$636,866) |
| Revised Forecast | \$3,094,383,842 | \$3,074,154,489 | \$3,278,301,391 | \$3,141,436,134 | \$3,253,897,210 |
| Annual % Growth | 2.6% | -0.7% | 6.6% | -4.2% | 3.6% |

General Fund revenue estimates were revised downward by \$0.2 million in FY14 and upward by \$2.5 million in FY15 (upward by \$2.3 million for the 2014-2015 biennium). The forecasts for the major tax lines were left unchanged in this forecast. Changes in the forecast for milk prices and adjustments to revenue from liquor sales and lottery operations were the major factors in this forecast.

While sales tax revenues are over budget through January by \$4.7 million, consumer sales activity has slowed significantly since late fall. The surplus since the last forecast represents weak sales activity, but not as weak as projected. Adjusting for the sales tax increase, year-over-year growth for November and December was only 1.6%; well below the 6.4% average for the three month period ending in October.

The new revenue forecast assumes similar growth for January and February and then picking up to approximately 4% for the remainder of FY14. These assumptions result in no change for this tax line.

Individual income tax receipts are over budget by \$2.5 million through January. While the total line is close to budget, estimated payments are under budget by \$12.3 million and are currently being offset by surpluses on the other sources of individual income tax receipts. The March RFC forecast makes no change to the previous forecast and assumes that slightly stronger final payments and lower refunds will negate the weaker than projected final estimated payment for the 2013 tax year. Even with this assumption, final payments for the 2013 tax year are assumed to be 17.5% lower than 2012 and refunds are projected to be 22.5% higher than 2012.

Some of the increase in refunds is associated with the new Property Tax Fairness Credit (PTFC). Through the middle of February returns processed show the PTFC may not be reducing revenue by as much as estimated during last session's budget negotiations. The RFC has decided to keep the current projection for the PTFC of approximately \$35 million for the 2013 tax year and reevaluate after the close of the income tax processing season.

Corporate Income Tax was also slightly over budget through January. However, there remain a number of refund requests that are being reviewed by MRS that may impact FY14 corporate receipts. For that reason and for lack of new data, the RFC has decided not to change the current forecast for corporate income tax receipts.

Although there were no aggregate changes to the totals for the projections of the revenue sharing taxes, the monthly distribution of the sales and income taxes will be adjusted and consequently will result in a shift of the projected Transfers for Municipal Revenue Sharing between FY14 and FY15. The total projected transfers for the 2014-2015 biennium are not affected.

For each forecast, the RFC receives an updated forecast of milk prices. The volatility of milk prices usually produces changes in each forecast affecting both the Milk Handling Fee and Transfers to Maine Milk Pool. The milk price forecast for the March 2014 update reflects an increase in milk prices (see Appendix F). As a result, the projections for Milk Handling Fee revenue are decreased by \$0.1 million in FY14, \$0.8 million in FY15 and \$1.1 million annually in FY16 and FY17. The more significant effect of the revised milk price forecast was on the Transfers to Maine Milk Pool, which were revised downward (a General Fund revenue increase) by \$0.3 million in FY14, \$2.8 million in FY15 and \$2.1 million annually. The Transfers to Maine Milk Pool category is also affected by projections of dedicated revenue from the Oxford Casino. No revisions were included in this forecast for casino revenue.

Revenue from Liquor Sales and Operations was updated in FY14 to reflect the actual profit sharing amount for calendar year 2013 paid to the General Fund. The actual transfer was \$1.6 million higher than budgeted.

Lottery revenue was revised downward by \$2.25 million in FY14, upward by \$0.3 million in FY15. The rebound in FY15 reflects the effect of the first full year of savings related to a new contract. Longer term projections of lottery revenue reflect modest growth, but a decline of \$1.0 million from budget in FY16 and \$1.7 million in FY17.

The estimates for Transfers to Tax Relief Programs were revised in FY14 by a net downward adjustment of \$0.7 million. The Business Equipment Tax Reimbursement (BETR) program was revised upward to reflect lower than anticipated transfers from the General Fund of \$0.6 million and the Business Equipment Tax Exemption (BETE) program was revised downward to reflect higher than anticipated transfers of \$1.4 million. Future years may need to be adjusted in this coming fall's forecast when the local data is available.

The Finance Industry Fees were adjusted upward in this forecast, similar to the situation in the December forecast. The \$0.5 million increase of projections recognizes a portion of the positive variance accumulated through January.

Miscellaneous revenue adjustments for the Department of Health and Human Services revenue sources, one-time increase from concealed weapons permit fees and the General Fund portion of the changes to the gasoline tax estimates (see Highway Fund discussion) result in net increases to budgeted revenue of \$0.4 million in FY14 and \$0.1 million annually beginning in FY15.

More detail on the other revenue categories can be found in Appendix A and other background materials in Appendix F.

Highway Fund Summary

| | FY13 Actual | FY14 | FY15 | FY16 | FY17 |
|-------------------------|--------------------|---------------|---------------|---------------|---------------|
| Current Forecast | \$318,825,700 | \$308,575,863 | \$306,789,766 | \$306,422,199 | \$306,042,627 |
| Annual % Growth | 0.5% | -3.2% | -0.6% | -0.1% | -0.1% |
| Net Increase (Decrease) | | \$1,691,348 | \$1,786,974 | \$1,800,475 | \$1,786,975 |
| Revised Forecast | \$318,825,700 | \$310,267,211 | \$308,576,740 | \$308,222,674 | \$307,829,602 |
| Annual % Growth | 0.5% | -2.7% | -0.5% | -0.1% | -0.1% |

Highway Fund revenue estimates (also see Appendix B) were revised upward by \$1.7 million in FY14 and \$1.8 million in FY15 (\$3.5 million for the 2014-2015 biennium). These revisions result primarily from upward revisions to gasoline tax receipts.

After making no adjustments to the forecast for fuel taxes in the December 2013 forecast, the RFC recognized a \$2.0 million increase of projections for gasoline tax in each year of the forecast period, which after various transfers resulted in a net increase of Highway Fund revenue of \$1.8 million. The RFC recognized only a portion of the \$4.3 million positive variance in the Fuel Taxes category that has accumulated through January. Monthly fluctuations from budget for this category have been common and were the primary reason for the cautious recognition of only a portion of the recent positive variances.

Within the broader category of Motor Vehicle Registrations and Fees, the RFC revised estimates for Motor Vehicle Operator License Fees downward by \$0.3 million in FY14 only based on recent performance. Other one-time FY14 adjustments to revenue included: a \$0.05 million downward adjustment to Income from Investments and a \$0.24 upward adjustment to reflect additional revenue accruing to the Highway Fund from the Municipal Excise Tax Reimbursement program.

Fund for a Healthy Maine Summary

| | FY13 Actual | FY14 | FY15 | FY16 | FY17 |
|-------------------------|--------------------|--------------|--------------|--------------|--------------|
| Current Forecast | \$50,992,315 | \$54,705,782 | \$54,340,982 | \$53,861,451 | \$53,384,108 |
| Annual % Growth | -8.1% | 7.3% | -0.7% | -0.9% | -0.9% |
| Net Increase (Decrease) | | \$1,214,994 | \$6,343,549 | \$833,155 | \$890,662 |
| Revised Forecast | \$50,992,315 | \$55,920,776 | \$60,684,531 | \$54,694,606 | \$54,274,770 |
| Annual % Growth | -8.1% | 9.7% | 8.5% | -9.9% | -0.8% |

The Fund for a Healthy Maine (FHM) revenue forecast was adjusted upward by \$1.2 million in FY14 and \$6.3 million in FY15. The RFC reviewed and adopted revised estimates of the tobacco settlement payments released by the National Associations of Attorneys General (NAAG), which increased projections of these payments by \$1.2 million in FY14 and \$0.8 million in FY15. These estimates continue to assume full withholding of disputed payments by participating manufacturers.

There remains a good deal of uncertainty surrounding certain legal proceedings under the Master Settlement Agreement. Maine prevailed in the legal challenge related to the NPM (non-participating manufacturer) adjustment for 2003 calendar year sales. The release of Maine’s share of the disputed payments for that sales year, \$5.6 million, is being challenged by certain states that were not successful in these proceedings. There is a potential for Maine’s share of these disputed payments to be included in the April 2014 payment. The RFC assumes that the states challenging the release of the disputed payments may be successful in delaying the release as part of the April 2014 payment, but ultimately Maine would receive the \$5.6 million as part of the April 2015 payment.

As noted in the General Fund section, the RFC recommended no changes to the revenue estimates from casinos. As a result, the 10% percent share of slot machine revenue at Hollywood Casino in Bangor that accrues to the FHM remains as forecasted in the December 2013 forecast.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

| | FY13 Actual | FY14 | FY15 | FY16 | FY17 |
|-------------------------|--------------------|---------------|---------------|---------------|---------------|
| Current Forecast | \$153,241,054 | \$172,021,517 | \$172,021,517 | \$172,021,517 | \$172,021,517 |
| Annual % Growth | 0.9% | 12.3% | 0.0% | 0.0% | 0.0% |
| Net Increase (Decrease) | | (\$3,583,841) | (\$3,583,841) | (\$3,583,841) | (\$3,583,841) |
| Revised Forecast | \$153,241,054 | \$168,437,676 | \$168,437,676 | \$168,437,676 | \$168,437,676 |
| Annual % Growth | 0.9% | 9.9% | 0.0% | 0.0% | 0.0% |

The forecast of Medicaid/MaineCare Dedicated Revenue Taxes revenue was revised downward by \$3.6 million in each year of the forecast based on updated information. The most significant revision was the \$3.2 million downward revenue adjustment for the Hospital Excise Tax, which was increased beginning in FY14 by the Biennial Budget Bill, PL 2013, c. 368 to modify the hospital tax base year from hospital fiscal years ending during calendar year 2008 to hospital fiscal years ending during calendar year 2012. The estimates for this tax were downgraded to reflect the closing of one hospital and the incorrect reporting of revenue by certain hospitals. Another revenue change in the Biennial Budget Bill increased estimates for the Service Provider Tax - Private Non-medical Institutions. Those estimates were also downgraded based on recent experience by \$0.4 million annually. (See Appendix D for more information).

Conclusions

The modest changes in this forecast and the immediately preceding forecasts indicate that we have settled into a period of stable, but slow growth and recovery. The volatile swings during the recent recession and the risks to the forecasts have subsided. Federal budget stability and the lack of pending crisis have contributed to this more stable pattern and should help to sustain it for the immediate future.

However, there are concerns over Maine's demographics with an aging population and little to no population growth. The Consensus Economic Forecasting Commission (CEFC) noted that the Maine forecasts produced by the major economic forecasting firms were too optimistic in their employment outlook given Maine's demographics. While the CEFC adjusted its Maine forecast downward from the forecast provided by IHS Economics, these ad hoc adjustments to the economic model in the income and employment variables may not have adequately captured all the interactive effects on the other variables. The CEFC and the RFC will be working with the major forecasting firms, Moody's Analytics and IHS Economics, to improve the underlying assumptions in their forecasts for Maine.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY09 Actual | FY10 Actual | % Chg. | FY11 Actual | % Chg. | FY12 Actual | % Chg. | FY13 Actual | % Chg. | FY13 Budget | FY13 Variance | % Var. |
|-------------------------------------|----------------------|----------------------|--------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------------|-------------|
| Sales and Use Tax | 921,823,720 | 897,938,873 | -2.6% | 923,686,973 | 2.9% | 981,257,805 | 6.2% | 986,747,637 | 0.6% | 984,910,746 | 1,836,891 | 0.2% |
| Service Provider Tax | 52,812,595 | 56,086,391 | 6.2% | 52,672,306 | -6.1% | 48,255,501 | -8.4% | 50,139,878 | 3.9% | 48,739,710 | 1,400,168 | 2.9% |
| Individual Income Tax | 1,365,437,729 | 1,298,036,055 | -4.9% | 1,415,283,534 | 9.0% | 1,434,217,189 | 1.3% | 1,521,862,756 | 6.1% | 1,495,000,000 | 26,862,756 | 1.8% |
| Corporate Income Tax | 143,085,966 | 175,292,433 | 22.5% | 208,996,598 | 19.2% | 232,117,995 | 11.1% | 171,987,073 | -25.9% | 171,021,732 | 965,341 | 0.6% |
| Cigarette and Tobacco Tax | 144,424,712 | 149,066,678 | 3.2% | 145,229,303 | -2.6% | 139,729,147 | -3.8% | 137,951,824 | -1.3% | 138,180,000 | (228,176) | -0.2% |
| Insurance Companies Tax | 79,770,431 | 80,019,145 | 0.3% | 76,930,329 | -3.9% | 82,985,771 | 7.9% | 79,609,419 | -4.1% | 80,715,000 | (1,105,581) | -1.4% |
| Estate Tax | 31,819,188 | 31,209,840 | -1.9% | 49,323,494 | 58.0% | 44,865,567 | -9.0% | 79,083,058 | 76.3% | 70,230,328 | 8,852,730 | 12.6% |
| Other Taxes and Fees * | 148,909,575 | 149,592,993 | 0.5% | 151,676,495 | 1.4% | 131,893,407 | -13.0% | 153,796,137 | 16.6% | 150,894,327 | 2,901,810 | 1.9% |
| Fines, Forfeits and Penalties | 44,024,462 | 32,787,060 | -25.5% | 28,513,040 | -13.0% | 25,120,959 | -11.9% | 23,748,503 | -5.5% | 24,552,639 | (804,136) | -3.3% |
| Income from Investments | 1,100,129 | 265,091 | -75.9% | 277,770 | 4.8% | 155,531 | -44.0% | 148,434 | -4.6% | 83,883 | 64,551 | 77.0% |
| Transfer from Lottery Commission | 49,839,434 | 52,201,531 | 4.7% | 49,547,800 | -5.1% | 53,785,567 | 8.6% | 52,908,602 | -1.6% | 52,550,000 | 358,602 | 0.7% |
| Transfers to Tax Relief Programs * | (122,931,820) | (113,604,930) | 7.6% | (113,934,585) | -0.3% | (115,336,149) | -1.2% | (111,674,333) | 3.2% | (112,086,562) | 412,229 | -0.4% |
| Transfer to Municipal Rev. Sharing | (102,160,745) | (97,425,079) | 4.6% | (93,156,725) | 4.4% | (96,876,964) | -4.0% | (95,974,153) | 0.9% | (95,086,810) | (887,343) | 0.9% |
| Other Revenue * | 53,412,918 | 44,216,420 | -17.2% | 49,910,424 | 12.9% | 53,366,896 | 6.9% | 44,049,007 | -17.5% | 38,637,097 | 5,411,910 | 14.0% |
| Total - General Fund Revenue | 2,811,368,295 | 2,755,682,500 | -2.0% | 2,944,956,756 | 6.9% | 3,015,538,222 | 2.4% | 3,094,383,842 | 2.6% | 3,048,342,090 | 46,041,752 | 1.5% |

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY14 Budget | % Chg. | Recom. Chg. | FY14 Revised | % Chg. | FY15 Budget | % Chg. | Recom. Chg. | FY15 Revised | % Chg. |
|-------------------------------------|----------------------|--------------|------------------|----------------------|--------------|----------------------|-------------|------------------|----------------------|-------------|
| Sales and Use Tax | 1,108,677,783 | 12.4% | 0 | 1,108,677,783 | 12.4% | 1,189,592,333 | 7.3% | 0 | 1,189,592,333 | 7.3% |
| Service Provider Tax | 49,317,427 | -1.6% | 0 | 49,317,427 | -1.6% | 50,303,776 | 2.0% | 0 | 50,303,776 | 2.0% |
| Individual Income Tax | 1,380,685,000 | -9.3% | 0 | 1,380,685,000 | -9.3% | 1,447,229,000 | 4.8% | 0 | 1,447,229,000 | 4.8% |
| Corporate Income Tax | 169,706,958 | -1.3% | 0 | 169,706,958 | -1.3% | 177,651,225 | 4.7% | 0 | 177,651,225 | 4.7% |
| Cigarette and Tobacco Tax | 135,900,000 | -1.5% | 0 | 135,900,000 | -1.5% | 133,590,000 | -1.7% | 0 | 133,590,000 | -1.7% |
| Insurance Companies Tax | 80,715,000 | 1.4% | 0 | 80,715,000 | 1.4% | 80,715,000 | 0.0% | 0 | 80,715,000 | 0.0% |
| Estate Tax | 27,553,982 | -65.2% | 0 | 27,553,982 | -65.2% | 26,457,040 | -4.0% | 0 | 26,457,040 | -4.0% |
| Other Taxes and Fees * | 127,884,891 | -16.8% | 575,021 | 128,459,912 | -16.5% | 132,815,233 | 3.9% | (826,775) | 131,988,458 | 2.7% |
| Fines, Forfeits and Penalties | 23,431,666 | -1.3% | 37,000 | 23,468,666 | -1.2% | 23,421,666 | 0.0% | 0 | 23,421,666 | -0.2% |
| Income from Investments | 13,818 | -90.7% | 118,705 | 132,523 | -10.7% | 93,858 | 579.2% | 0 | 93,858 | -29.2% |
| Transfer from Lottery Commission | 55,750,000 | 5.4% | (2,250,000) | 53,500,000 | 1.1% | 57,010,462 | 2.3% | 340,000 | 57,350,462 | 7.2% |
| Transfers to Tax Relief Programs * | (61,540,498) | 44.9% | (717,872) | (62,258,370) | 44.3% | (58,183,362) | 5.5% | 0 | (58,183,362) | 6.5% |
| Transfer to Municipal Rev. Sharing | (64,795,934) | 32.5% | (108,741) | (64,904,675) | 32.4% | (20,837,353) | 67.8% | 108,741 | (20,728,612) | 68.1% |
| Other Revenue * | 41,077,521 | -6.7% | 2,122,762 | 43,200,283 | -1.9% | 35,954,280 | -12.5% | 2,866,267 | 38,820,547 | -10.1% |
| Total - General Fund Revenue | 3,074,377,614 | -0.6% | (223,125) | 3,074,154,489 | -0.7% | 3,275,813,158 | 6.6% | 2,488,233 | 3,278,301,391 | 6.6% |
| Change in Biennial Totals | | | | | | | | 2,265,108 | | |

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY16 Projections | % Chg. | Recom. Chg. | FY16 Revised | % Chg. | FY17 Projections | % Chg. | Recom. Chg. | FY17 Revised | % Chg. |
|-------------------------------------|----------------------|--------------|---------------|----------------------|--------------|----------------------|-------------|------------------|----------------------|-------------|
| Sales and Use Tax | 1,124,149,905 | -5.5% | 0 | 1,124,149,905 | -5.5% | 1,173,045,251 | 4.3% | 0 | 1,173,045,251 | 4.3% |
| Service Provider Tax | 51,309,851 | 2.0% | 0 | 51,309,851 | 2.0% | 52,336,048 | 2.0% | 0 | 52,336,048 | 2.0% |
| Individual Income Tax | 1,519,437,000 | 5.0% | 0 | 1,519,437,000 | 5.0% | 1,576,303,000 | 3.7% | 0 | 1,576,303,000 | 3.7% |
| Corporate Income Tax | 186,375,104 | 4.9% | 0 | 186,375,104 | 4.9% | 187,713,515 | 0.7% | 0 | 187,713,515 | 0.7% |
| Cigarette and Tobacco Tax | 131,374,000 | -1.7% | 0 | 131,374,000 | -1.7% | 129,198,000 | -1.7% | 0 | 129,198,000 | -1.7% |
| Insurance Companies Tax | 80,715,000 | 0.0% | 0 | 80,715,000 | 0.0% | 80,715,000 | 0.0% | 0 | 80,715,000 | 0.0% |
| Estate Tax | 27,489,759 | 3.9% | 0 | 27,489,759 | 3.9% | 29,088,207 | 5.8% | 0 | 29,088,207 | 5.8% |
| Other Taxes and Fees * | 130,151,380 | -2.0% | (1,103,267) | 129,048,113 | -2.2% | 130,985,394 | 0.6% | (1,103,267) | 129,882,127 | 0.6% |
| Fines, Forfeits and Penalties | 23,421,666 | 0.0% | 0 | 23,421,666 | 0.0% | 23,421,666 | 0.0% | 0 | 23,421,666 | 0.0% |
| Income from Investments | 189,255 | 101.6% | 0 | 189,255 | 101.6% | 332,738 | 75.8% | 0 | 332,738 | 75.8% |
| Transfer from Lottery Commission | 57,816,776 | 1.4% | (1,000,000) | 56,816,776 | -0.9% | 58,823,279 | 1.7% | (1,700,000) | 57,123,279 | 0.5% |
| Transfers to Tax Relief Programs * | (66,771,938) | -14.8% | 0 | (66,771,938) | -14.8% | (68,948,340) | -3.3% | 0 | (68,948,340) | -3.3% |
| Transfer to Municipal Rev. Sharing | (156,724,180) | -652.1% | 0 | (156,724,180) | -656.1% | (153,002,647) | 2.4% | 0 | (153,002,647) | 2.4% |
| Other Revenue * | 32,439,422 | -9.8% | 2,166,401 | 34,605,823 | -10.9% | 34,522,965 | 6.4% | 2,166,401 | 36,689,366 | 6.0% |
| Total - General Fund Revenue | 3,141,373,000 | -4.1% | 63,134 | 3,141,436,134 | -4.2% | 3,254,534,076 | 3.6% | (636,866) | 3,253,897,210 | 3.6% |
| Change in Biennial Totals | | | | | | | | (573,732) | | |

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY09 Actual | FY10 Actual | % Chg. | FY11 Actual | % Chg. | FY12 Actual | % Chg. | FY13 Actual | % Chg. | FY13 Budget | FY13 Variance | % Var. |
|--|---------------|---------------|--------|---------------|--------|---------------|--------|---------------|---------|---------------|---------------|--------|
| Detail of Other Taxes and Fees: | | | | | | | | | | | | |
| - Property Tax - Unorganized Territory | 12,633,755 | 13,217,886 | 4.6% | 13,381,506 | 1.2% | 10,726,997 | -19.8% | 13,333,294 | 24.3% | 13,304,107 | 29,187 | 0.2% |
| - Real Estate Transfer Tax | 17,184,746 | 12,181,181 | -29.1% | 13,815,942 | 13.4% | 8,934,936 | -35.3% | 11,667,284 | 30.6% | 10,842,526 | 824,758 | 7.6% |
| - Liquor Taxes and Fees | 20,844,377 | 20,361,554 | -2.3% | 21,017,177 | 3.2% | 20,994,195 | -0.1% | 21,145,992 | 0.7% | 20,703,164 | 442,828 | 2.1% |
| - Corporation Fees & Licenses | 7,931,072 | 8,168,981 | 3.0% | 8,479,743 | 3.8% | 8,496,444 | 0.2% | 8,933,147 | 5.1% | 7,847,099 | 1,086,048 | 13.8% |
| - Telecommunications Personal Prop. Tax | 19,536,483 | 17,523,926 | -10.3% | 17,668,244 | 0.8% | 10,869,966 | -38.5% | 10,076,113 | -7.3% | 10,000,000 | 76,113 | 0.8% |
| - Finance Industry Fees | 23,901,210 | 23,831,582 | -0.3% | 24,688,570 | 3.6% | 24,692,010 | 0.0% | 25,070,880 | 1.5% | 24,351,990 | 718,890 | 3.0% |
| - Milk Handling Fee | 6,605,226 | 10,105,521 | 53.0% | 3,845,823 | -61.9% | 1,997,125 | -48.1% | 2,381,329 | 19.2% | 2,362,501 | 18,828 | 0.8% |
| - Casino and Racino Revenue | 8,730,346 | 10,421,318 | 19.4% | 10,597,066 | 1.7% | 12,374,557 | 16.8% | 14,429,212 | 16.6% | 15,215,449 | (786,237) | -5.2% |
| - Boat, ATV and Snowmobile Fees | 4,262,523 | 4,730,068 | 11.0% | 4,437,431 | -6.2% | 4,340,403 | -2.2% | 4,444,055 | 2.4% | 4,763,561 | (319,506) | -6.7% |
| - Hunting and Fishing License Fees | 15,378,849 | 16,277,082 | 5.8% | 15,863,627 | -2.5% | 15,874,952 | 0.1% | 16,078,543 | 1.3% | 16,214,189 | (135,646) | -0.8% |
| - Other Miscellaneous Taxes and Fees | 11,900,988 | 12,773,892 | 7.3% | 17,881,366 | 40.0% | 12,591,823 | -29.6% | 26,236,287 | 108.4% | 25,289,741 | 946,546 | 3.7% |
| Subtotal - Other Taxes and Fees | 148,909,575 | 149,592,993 | 0.5% | 151,676,495 | 1.4% | 131,893,407 | -13.0% | 153,796,137 | 16.6% | 150,894,327 | 2,901,810 | 1.9% |
| Detail of Other Revenue: | | | | | | | | | | | | |
| - Liquor Sales and Operations | 6,220,864 | 6,784,941 | 9.1% | 7,311,603 | 7.8% | 8,049,429 | 10.1% | 8,731,159 | 8.5% | 8,725,209 | 5,950 | 0.1% |
| - Targeted Case Management (HHS) | 13,946,371 | 19,490,000 | 39.7% | 16,574,218 | -15.0% | 4,648,953 | -72.0% | 2,397,591 | -48.4% | 2,105,386 | 292,205 | 13.9% |
| - State Cost Allocation Program | 16,104,670 | 16,008,673 | -0.6% | 14,408,283 | -10.0% | 13,652,052 | -5.2% | 15,599,487 | 14.3% | 16,115,330 | (515,843) | -3.2% |
| - Unclaimed Property Transfer | 13,212,409 | 5,855,999 | -55.7% | 2,333,420 | -60.2% | 7,517,760 | 222.2% | 10,801,929 | 43.7% | 6,000,000 | 4,801,929 | 80.0% |
| - Tourism Transfer | (9,068,407) | (9,022,023) | 0.5% | (9,048,877) | -0.3% | (9,419,745) | -4.1% | (9,932,319) | -5.4% | (9,932,319) | 0 | 0.0% |
| - Transfer to Maine Milk Pool | (11,810,960) | (13,349,600) | -13.0% | (4,249,777) | 68.2% | (1,602,708) | 62.3% | (4,580,908) | -185.8% | (4,314,017) | (266,891) | 6.2% |
| - Transfer to STAR Transportation Fund | 0 | (3,134,861) | N/A | (3,100,352) | 1.1% | (3,196,872) | -3.1% | (6,137,811) | -92.0% | (6,137,811) | 0 | 0.0% |
| - Other Miscellaneous Revenue | 24,807,971 | 21,583,291 | -13.0% | 25,681,907 | 19.0% | 33,718,027 | 31.3% | 27,169,880 | -19.4% | 26,075,319 | 1,094,561 | 4.2% |
| Subtotal - Other Revenue | 53,412,918 | 44,216,420 | -17.2% | 49,910,424 | 12.9% | 53,366,896 | 6.9% | 44,049,007 | -17.5% | 38,637,097 | 5,411,910 | 14.0% |
| Detail of Transfers to Tax Relief Programs: | | | | | | | | | | | | |
| - Maine Resident Property Tax Program | (48,751,672) | (40,851,593) | 16.2% | (41,449,010) | -1.5% | (43,411,086) | -4.7% | (41,841,767) | 3.6% | (43,081,877) | 1,240,110 | -2.9% |
| - BETR - Business Equipment Tax Reimb. | (66,009,487) | (58,198,436) | 11.8% | (55,220,851) | 5.1% | (52,805,042) | 4.4% | (48,854,458) | 7.5% | (47,632,583) | (1,221,875) | 2.6% |
| - BETE - Municipal Bus. Equip. Tax Reiml | (8,170,661) | (14,554,901) | -78.1% | (17,264,724) | -18.6% | (19,120,021) | -10.7% | (20,978,108) | -9.7% | (21,372,102) | 393,994 | -1.8% |
| Subtotal - Tax Relief Transfers | (122,931,820) | (113,604,930) | 7.6% | (113,934,585) | -0.3% | (115,336,149) | -1.2% | (111,674,333) | 3.2% | (112,086,562) | 412,229 | -0.4% |
| IF&W Total Revenue ** | 20,579,500 | 22,039,520 | 7.1% | 21,425,573 | -2.8% | 21,347,429 | -0.4% | 21,623,304 | 1.3% | 21,891,335 | (268,031) | -1.2% |

** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY14 Budget | % Chg. | Recom. Chg. | FY14 Revised | % Chg. | FY15 Budget | % Chg. | Recom. Chg. | FY15 Revised | % Chg. |
|--|--------------|--------|-------------|--------------|--------|--------------|----------|-------------|--------------|--------|
| Detail of Other Taxes and Fees: | | | | | | | | | | |
| - Property Tax - Unorganized Territory | 13,584,806 | 1.9% | 0 | 13,584,806 | 1.9% | 13,949,984 | 2.7% | 0 | 13,949,984 | 2.7% |
| - Real Estate Transfer Tax | 9,176,840 | -21.3% | 0 | 9,176,840 | -21.3% | 12,042,455 | 31.2% | 0 | 12,042,455 | 31.2% |
| - Liquor Taxes and Fees | 20,818,837 | -1.5% | 0 | 20,818,837 | -1.5% | 21,015,690 | 0.9% | 0 | 21,015,690 | 0.9% |
| - Corporation Fees & Licenses | 8,313,649 | -6.9% | 0 | 8,313,649 | -6.9% | 8,313,649 | 0.0% | 0 | 8,313,649 | 0.0% |
| - Telecommunications Personal Prop. Tax | 8,000,000 | -20.6% | 0 | 8,000,000 | -20.6% | 9,200,000 | 15.0% | 0 | 9,200,000 | 15.0% |
| - Finance Industry Fees | 24,851,990 | -0.9% | 500,000 | 25,351,990 | 1.1% | 24,351,990 | -2.0% | 0 | 24,351,990 | -3.9% |
| - Milk Handling Fee | 1,203,936 | -49.4% | (90,680) | 1,113,256 | -53.3% | 1,935,444 | 60.8% | (829,476) | 1,105,968 | -0.7% |
| - Casino and Racino Revenue | 8,957,869 | -37.9% | 0 | 8,957,869 | -37.9% | 9,256,406 | 3.3% | 0 | 9,256,406 | 3.3% |
| - Boat, ATV and Snowmobile Fees | 4,523,561 | 1.8% | 0 | 4,523,561 | 1.8% | 4,523,561 | 0.0% | 0 | 4,523,561 | 0.0% |
| - Hunting and Fishing License Fees | 16,101,822 | 0.1% | 0 | 16,101,822 | 0.1% | 16,048,648 | -0.3% | 0 | 16,048,648 | -0.3% |
| - Other Miscellaneous Taxes and Fees | 12,351,581 | -52.9% | 165,701 | 12,517,282 | -52.3% | 12,177,406 | -1.4% | 2,701 | 12,180,107 | -2.7% |
| Subtotal - Other Taxes and Fees | 127,884,891 | -16.8% | 575,021 | 128,459,912 | -16.5% | 132,815,233 | 3.9% | (826,775) | 131,988,458 | 2.7% |
| Detail of Other Revenue: | | | | | | | | | | |
| - Liquor Sales and Operations | 8,407,196 | -3.7% | 1,592,000 | 9,999,196 | 14.5% | 9,742,384 | 15.9% | 0 | 9,742,384 | -2.6% |
| - Targeted Case Management (HHS) | 2,112,332 | -11.9% | 0 | 2,112,332 | -11.9% | 2,103,916 | -0.4% | 0 | 2,103,916 | -0.4% |
| - State Cost Allocation Program | 18,296,833 | 17.3% | 0 | 18,296,833 | 17.3% | 15,000,000 | -18.0% | 0 | 15,000,000 | -18.0% |
| - Unclaimed Property Transfer | 6,015,000 | -44.3% | 0 | 6,015,000 | -44.3% | 6,015,000 | 0.0% | 0 | 6,015,000 | 0.0% |
| - Tourism Transfer | (10,381,884) | -4.5% | 0 | (10,381,884) | -4.5% | (11,659,067) | -12.3% | 0 | (11,659,067) | -12.3% |
| - Transfer to Maine Milk Pool | (282,242) | 93.8% | 282,242 | 0 | 100.0% | (3,355,844) | -1089.0% | 2,792,067 | (563,777) | N/A |
| - Transfer to STAR Transportation Fund | (6,069,901) | 1.1% | 0 | (6,069,901) | 1.1% | (6,187,481) | -1.9% | 0 | (6,187,481) | -1.9% |
| - Other Miscellaneous Revenue | 22,980,187 | -15.4% | 248,520 | 23,228,707 | -14.5% | 24,295,372 | 5.7% | 74,200 | 24,369,572 | 4.9% |
| Subtotal - Other Revenue | 41,077,521 | -6.7% | 2,122,762 | 43,200,283 | -1.9% | 35,954,280 | -12.5% | 2,866,267 | 38,820,547 | -10.1% |
| Detail of Transfers to Tax Relief Programs: | | | | | | | | | | |
| - Maine Resident Property Tax Program | (760,000) | 98.2% | 0 | (760,000) | 98.2% | 0 | 100.0% | 0 | 0 | 100.0% |
| - BETR - Business Equipment Tax Reimb. | (38,205,000) | 21.8% | 635,553 | (37,569,447) | 23.1% | (31,080,000) | 18.6% | 0 | (31,080,000) | 17.3% |
| - BETE - Municipal Bus. Equip. Tax Reimb. | (22,575,498) | -7.6% | (1,353,425) | (23,928,923) | -14.1% | (27,103,362) | -20.1% | 0 | (27,103,362) | -13.3% |
| Subtotal - Tax Relief Transfers | (61,540,498) | 44.9% | (717,872) | (62,258,370) | 44.3% | (58,183,362) | 5.5% | 0 | (58,183,362) | 6.5% |
| IF&W Total Revenue ** | 21,532,511 | -0.4% | 2,701 | 21,535,212 | -0.4% | 21,478,162 | -0.3% | 2,701 | 21,480,863 | -0.3% |

** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY16 Projections | % Chg. | Recom. Chg. | FY16 Revised | % Chg. | FY17 Projections | % Chg. | Recom. Chg. | FY17 Revised | % Chg. |
|--|------------------|--------|-------------|--------------|---------|------------------|--------|-------------|--------------|--------|
| Detail of Other Taxes and Fees: | | | | | | | | | | |
| - Property Tax - Unorganized Territory | 14,225,984 | 2.0% | 0 | 14,225,984 | 2.0% | 14,513,169 | 2.0% | 0 | 14,513,169 | 2.0% |
| - Real Estate Transfer Tax | 8,626,572 | -28.4% | 0 | 8,626,572 | -28.4% | 8,878,887 | 2.9% | 0 | 8,878,887 | 2.9% |
| - Liquor Taxes and Fees | 21,214,918 | 0.9% | 0 | 21,214,918 | 0.9% | 21,415,688 | 0.9% | 0 | 21,415,688 | 0.9% |
| - Corporation Fees & Licenses | 8,313,649 | 0.0% | 0 | 8,313,649 | 0.0% | 8,313,649 | 0.0% | 0 | 8,313,649 | 0.0% |
| - Telecommunications Personal Prop. Tax | 9,200,000 | 0.0% | 0 | 9,200,000 | 0.0% | 9,200,000 | 0.0% | 0 | 9,200,000 | 0.0% |
| - Finance Industry Fees | 24,351,990 | 0.0% | 0 | 24,351,990 | 0.0% | 24,351,990 | 0.0% | 0 | 24,351,990 | 0.0% |
| - Milk Handling Fee | 2,211,936 | 14.3% | (1,105,968) | 1,105,968 | 0.0% | 2,211,936 | 0.0% | (1,105,968) | 1,105,968 | 0.0% |
| - Casino and Racino Revenue | 9,349,729 | 1.0% | 0 | 9,349,729 | 1.0% | 9,443,986 | 1.0% | 0 | 9,443,986 | 1.0% |
| - Boat, ATV and Snowmobile Fees | 4,523,561 | 0.0% | 0 | 4,523,561 | 0.0% | 4,523,561 | 0.0% | 0 | 4,523,561 | 0.0% |
| - Hunting and Fishing License Fees | 16,016,148 | -0.2% | 0 | 16,016,148 | -0.2% | 16,016,148 | 0.0% | 0 | 16,016,148 | 0.0% |
| - Other Miscellaneous Taxes and Fees | 12,116,893 | -0.5% | 2,701 | 12,119,594 | -0.5% | 12,116,380 | 0.0% | 2,701 | 12,119,081 | 0.0% |
| Subtotal - Other Taxes and Fees | 130,151,380 | -2.0% | (1,103,267) | 129,048,113 | -2.2% | 130,985,394 | 0.6% | (1,103,267) | 129,882,127 | 0.6% |
| Detail of Other Revenue: | | | | | | | | | | |
| - Liquor Sales and Operations | 9,666,500 | -0.8% | 0 | 9,666,500 | -0.8% | 9,844,500 | 1.8% | 0 | 9,844,500 | 1.8% |
| - Targeted Case Management (HHS) | 2,103,916 | 0.0% | 0 | 2,103,916 | 0.0% | 2,103,916 | 0.0% | 0 | 2,103,916 | 0.0% |
| - State Cost Allocation Program | 15,000,000 | 0.0% | 0 | 15,000,000 | 0.0% | 15,000,000 | 0.0% | 0 | 15,000,000 | 0.0% |
| - Unclaimed Property Transfer | 6,015,000 | 0.0% | 0 | 6,015,000 | 0.0% | 6,015,000 | 0.0% | 0 | 6,015,000 | 0.0% |
| - Tourism Transfer | (12,606,738) | -8.1% | 0 | (12,606,738) | -8.1% | (11,542,966) | 8.4% | 0 | (11,542,966) | 8.4% |
| - Transfer to Maine Milk Pool | (4,484,172) | -33.6% | 2,092,201 | (2,391,971) | -324.3% | (4,480,613) | 0.1% | 2,092,201 | (2,388,412) | 0.1% |
| - Transfer to STAR Transportation Fund | (6,250,356) | -1.0% | 0 | (6,250,356) | -1.0% | (6,313,859) | -1.0% | 0 | (6,313,859) | -1.0% |
| - Other Miscellaneous Revenue | 22,995,272 | -5.4% | 74,200 | 23,069,472 | -5.3% | 23,896,987 | 3.9% | 74,200 | 23,971,187 | 3.9% |
| Subtotal - Other Revenue | 32,439,422 | -9.8% | 2,166,401 | 34,605,823 | -10.9% | 34,522,965 | 6.4% | 2,166,401 | 36,689,366 | 6.0% |
| Detail of Transfers to Tax Relief Programs: | | | | | | | | | | |
| - Maine Resident Property Tax Program | 0 | N/A | 0 | 0 | N/A | 0 | N/A | 0 | 0 | N/A |
| - BETR - Business Equipment Tax Reimb. | (35,000,000) | -12.6% | 0 | (35,000,000) | -12.6% | (32,000,000) | 8.6% | 0 | (32,000,000) | 8.6% |
| - BETE - Municipal Bus. Equip. Tax Reimb. | (31,771,938) | -17.2% | 0 | (31,771,938) | -17.2% | (36,948,340) | -16.3% | 0 | (36,948,340) | -16.3% |
| Subtotal - Tax Relief Transfers | (66,771,938) | -14.8% | 0 | (66,771,938) | -14.8% | (68,948,340) | -3.3% | 0 | (68,948,340) | -3.3% |
| IF&W Total Revenue ** | 21,445,149 | -0.2% | 2,701 | 21,447,850 | -0.2% | 21,679,791 | 1.1% | 2,701 | 21,682,492 | 1.1% |

** IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY09 Actual | FY10 Actual | % Chg. | FY11 Actual | % Chg. | FY12 Actual | % Chg. | FY13 Actual | % Chg. | FY13 Budget | FY13 Var. | % Var. |
|---|--------------------|--------------------|--------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|------------------|-------------|
| Fuel Taxes | | | | | | | | | | | | |
| - Gasoline Tax | 178,960,918 | 196,559,480 | 9.8% | 194,958,019 | -0.8% | 196,418,900 | 0.7% | 192,107,854 | -2.2% | 191,710,001 | 397,853 | 0.2% |
| - Special Fuel and Road Use Taxes | 41,811,377 | 45,227,703 | 8.2% | 44,588,438 | -1.4% | 45,804,718 | 2.7% | 44,654,907 | -2.5% | 43,680,000 | 974,907 | 2.2% |
| - Transcap Transfers - Fuel Taxes | 0 | (17,631,888) | N/A | (17,554,820) | 0.4% | (17,746,710) | 1.1% | (17,414,097) | 1.9% | (17,294,693) | (119,404) | 0.7% |
| - Other Fund Gasoline Tax Distributions | (4,556,751) | (4,964,589) | -9.0% | (4,957,745) | 0.1% | (5,013,790) | 1.1% | (4,808,835) | 4.1% | (4,794,093) | (14,742) | 0.3% |
| Subtotal - Fuel Taxes | 216,215,544 | 219,190,706 | 1.4% | 217,033,892 | -1.0% | 219,463,118 | 1.1% | 214,539,829 | -2.2% | 213,301,215 | 1,238,614 | 0.6% |
| Motor Vehicle Registration and Fees | | | | | | | | | | | | |
| - Motor Vehicle Registration Fees | 62,630,817 | 64,601,757 | 3.1% | 65,067,731 | 0.7% | 65,342,628 | 0.4% | 65,602,936 | 0.4% | 64,825,773 | 777,163 | 1.2% |
| - License Plate Fees | 3,232,451 | 3,436,943 | 6.3% | 3,424,536 | -0.4% | 3,476,000 | 1.5% | 3,526,534 | 1.5% | 3,351,681 | 174,853 | 5.2% |
| - Long-term Trailer Registration Fees | 7,450,990 | 7,884,523 | 5.8% | 9,792,983 | 24.2% | 9,436,350 | -3.6% | 9,801,658 | 3.9% | 9,384,523 | 417,135 | 4.4% |
| - Title Fees | 9,780,026 | 10,846,661 | 10.9% | 11,261,301 | 3.8% | 12,074,653 | 7.2% | 19,182,454 | 58.9% | 18,749,539 | 432,915 | 2.3% |
| - Motor Vehicle Operator License Fees | 8,489,006 | 5,820,958 | -31.4% | 6,112,149 | 5.0% | 8,358,214 | 36.7% | 8,540,242 | 2.2% | 8,521,255 | 18,987 | 0.2% |
| - Transcap Transfers - Motor Vehicle Fees | 0 | (14,823,141) | N/A | (14,817,460) | 0.0% | (15,124,443) | -2.1% | (17,320,622) | -14.5% | (17,047,282) | (273,340) | 1.6% |
| Subtotal - Motor Vehicle Reg. & Fees | 91,583,289 | 77,767,700 | -15.1% | 80,841,240 | 4.0% | 83,563,402 | 3.4% | 89,333,202 | 6.9% | 87,785,489 | 1,547,713 | 1.8% |
| Motor Vehicle Inspection Fees | 2,975,807 | 2,810,679 | -5.5% | 2,977,702 | 5.9% | 2,997,953 | 0.7% | 3,495,704 | 16.6% | 2,982,500 | 513,204 | 17.2% |
| Other Highway Fund Taxes and Fees | 1,392,598 | 1,338,193 | -3.9% | 1,358,167 | 1.5% | 1,361,886 | 0.3% | 1,309,810 | -3.8% | 1,276,365 | 33,445 | 2.6% |
| Fines, Forfeits and Penalties | 1,785,197 | 1,440,062 | -19.3% | 1,145,044 | -20.5% | 1,044,271 | -8.8% | 1,030,267 | -1.3% | 1,039,868 | (9,601) | -0.9% |
| Income from Investments | 480,419 | 162,488 | -66.2% | 124,518 | -23.4% | 141,082 | 13.3% | 105,414 | -25.3% | 99,513 | 5,901 | 5.9% |
| Other Highway Fund Revenues | 9,809,296 | 8,480,545 | -13.5% | 7,870,593 | -7.2% | 8,630,697 | 9.7% | 9,011,474 | 4.4% | 8,920,662 | 90,812 | 1.0% |
| Total - Highway Fund Revenue | 324,242,149 | 311,190,374 | -4.0% | 311,351,155 | 0.1% | 317,202,409 | 1.9% | 318,825,700 | 0.5% | 315,405,612 | 3,420,088 | 1.1% |

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY14 Budget | % Chg. | Recom. Chg. | FY14 Revised | % Chg. | FY15 Budget | % Chg. | Recom. Chg. | FY15 Revised | % Chg. |
|---|--------------------|--------------|------------------|--------------------|--------------|--------------------|--------------|------------------|--------------------|--------------|
| Fuel Taxes | | | | | | | | | | |
| - Gasoline Tax | 188,780,000 | -1.7% | 2,000,000 | 190,780,000 | -0.7% | 187,910,000 | -0.5% | 2,000,000 | 189,910,000 | -0.5% |
| - Special Fuel and Road Use Taxes | 42,980,000 | -3.8% | 0 | 42,980,000 | -3.8% | 42,610,000 | -0.9% | 0 | 42,610,000 | -0.9% |
| - Transcap Transfers - Fuel Taxes | (17,027,939) | -2.2% | (146,248) | (17,174,187) | 1.4% | (16,936,571) | 0.5% | (146,248) | (17,082,819) | 0.5% |
| - Other Fund Gasoline Tax Distributions | (4,720,821) | -1.8% | (50,015) | (4,770,836) | 0.8% | (4,699,064) | 0.5% | (50,016) | (4,749,080) | 0.5% |
| Subtotal - Fuel Taxes | 210,011,240 | -2.1% | 1,803,737 | 211,814,977 | -1.3% | 208,884,365 | -0.5% | 1,803,736 | 210,688,101 | -0.5% |
| Motor Vehicle Registration and Fees | | | | | | | | | | |
| - Motor Vehicle Registration Fees | 65,659,536 | 0.1% | 0 | 65,659,536 | 0.1% | 65,659,536 | 0.0% | 0 | 65,659,536 | 0.0% |
| - License Plate Fees | 3,351,681 | -5.0% | 0 | 3,351,681 | -5.0% | 3,351,681 | 0.0% | 0 | 3,351,681 | 0.0% |
| - Long-term Trailer Registration Fees | 9,384,523 | -4.3% | 0 | 9,384,523 | -4.3% | 9,384,523 | 0.0% | 0 | 9,384,523 | 0.0% |
| - Title Fees | 12,843,660 | -33.0% | 0 | 12,843,660 | -33.0% | 13,129,254 | 2.2% | 0 | 13,129,254 | 2.2% |
| - Motor Vehicle Operator License Fees | 8,522,204 | -0.2% | (267,797) | 8,254,407 | -3.3% | 7,425,882 | -12.9% | 0 | 7,425,882 | -10.0% |
| - Transcap Transfers - Motor Vehicle Fees | (15,398,687) | 11.1% | 0 | (15,398,687) | 11.1% | (15,483,404) | -0.6% | 0 | (15,483,404) | -0.6% |
| Subtotal - Motor Vehicle Reg. & Fees | 84,362,917 | -5.6% | (267,797) | 84,095,120 | -5.9% | 83,467,472 | -1.1% | 0 | 83,467,472 | -0.7% |
| Motor Vehicle Inspection Fees | 2,982,500 | -14.7% | 0 | 2,982,500 | -14.7% | 2,982,500 | 0.0% | 0 | 2,982,500 | 0.0% |
| Other Highway Fund Taxes and Fees | 1,313,165 | 0.3% | (14,436) | 1,298,729 | -0.8% | 1,276,365 | -2.8% | 8,864 | 1,285,229 | -1.0% |
| Fines, Forfeits and Penalties | 1,007,998 | -2.2% | 0 | 1,007,998 | -2.2% | 1,007,998 | 0.0% | 0 | 1,007,998 | 0.0% |
| Income from Investments | 100,825 | -4.4% | (48,272) | 52,553 | -50.1% | 113,022 | 12.1% | 0 | 113,022 | 115.1% |
| Other Highway Fund Revenues | 8,797,218 | -2.4% | 218,116 | 9,015,334 | 0.0% | 9,058,044 | 3.0% | (25,626) | 9,032,418 | 0.2% |
| Total - Highway Fund Revenue | 308,575,863 | -3.2% | 1,691,348 | 310,267,211 | -2.7% | 306,789,766 | -0.6% | 1,786,974 | 308,576,740 | -0.5% |
| Change in Biennial Totals | | | | | | | | 3,478,322 | | |

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY16 Projections | % Chg. | Recom. Chg. | FY16 Revised | % Chg. | FY17 Projections | % Chg. | Recom. Chg. | FY17 Revised | % Chg. |
|---|--------------------|--------------|------------------|--------------------|--------------|--------------------|--------------|------------------|--------------------|--------------|
| Fuel Taxes | | | | | | | | | | |
| - Gasoline Tax | 187,530,000 | -0.2% | 2,000,000 | 189,530,000 | -0.2% | 187,150,000 | -0.2% | 2,000,000 | 189,150,000 | -0.2% |
| - Special Fuel and Road Use Taxes | 42,390,000 | -0.5% | 0 | 42,390,000 | -0.5% | 42,170,000 | -0.5% | 0 | 42,170,000 | -0.5% |
| - Transcap Transfers - Fuel Taxes | (16,892,283) | 0.3% | (146,249) | (17,038,532) | 0.3% | (16,847,996) | 0.3% | (146,248) | (16,994,244) | 0.3% |
| - Other Fund Gasoline Tax Distributions | (4,689,563) | 0.2% | (50,014) | (4,739,577) | 0.2% | (4,680,060) | 0.2% | (50,015) | (4,730,075) | 0.2% |
| Subtotal - Fuel Taxes | 208,338,154 | -0.3% | 1,803,737 | 210,141,891 | -0.3% | 207,791,944 | -0.3% | 1,803,737 | 209,595,681 | -0.3% |
| Motor Vehicle Registration and Fees | | | | | | | | | | |
| - Motor Vehicle Registration Fees | 65,659,536 | 0.0% | 0 | 65,659,536 | 0.0% | 65,659,536 | 0.0% | 0 | 65,659,536 | 0.0% |
| - License Plate Fees | 3,351,681 | 0.0% | 0 | 3,351,681 | 0.0% | 3,351,681 | 0.0% | 0 | 3,351,681 | 0.0% |
| - Long-term Trailer Registration Fees | 9,384,523 | 0.0% | 0 | 9,384,523 | 0.0% | 9,384,523 | 0.0% | 0 | 9,384,523 | 0.0% |
| - Title Fees | 13,129,254 | 0.0% | 0 | 13,129,254 | 0.0% | 13,129,254 | 0.0% | 0 | 13,129,254 | 0.0% |
| - Motor Vehicle Operator License Fees | 7,425,882 | 0.0% | 0 | 7,425,882 | 0.0% | 7,425,881 | 0.0% | 0 | 7,425,881 | 0.0% |
| - Transcap Transfers - Motor Vehicle Fees | (15,483,404) | 0.0% | 0 | (15,483,404) | 0.0% | (15,483,404) | 0.0% | 0 | (15,483,404) | 0.0% |
| Subtotal - Motor Vehicle Reg. & Fees | 83,467,472 | 0.0% | 0 | 83,467,472 | 0.0% | 83,467,471 | 0.0% | 0 | 83,467,471 | 0.0% |
| Motor Vehicle Inspection Fees | 2,982,500 | 0.0% | 0 | 2,982,500 | 0.0% | 2,982,500 | 0.0% | 0 | 2,982,500 | 0.0% |
| Other Highway Fund Taxes and Fees | 1,276,365 | 0.0% | 22,364 | 1,298,729 | 1.1% | 1,276,365 | 0.0% | 8,864 | 1,285,229 | -1.0% |
| Fines, Forfeits and Penalties | 1,007,998 | 0.0% | 0 | 1,007,998 | 0.0% | 1,007,998 | 0.0% | 0 | 1,007,998 | 0.0% |
| Income from Investments | 291,666 | 158.1% | 0 | 291,666 | 158.1% | 458,305 | 57.1% | 0 | 458,305 | 57.1% |
| Other Highway Fund Revenues | 9,058,044 | 0.0% | (25,626) | 9,032,418 | 0.0% | 9,058,044 | 0.0% | (25,626) | 9,032,418 | 0.0% |
| Total - Highway Fund Revenue | 306,422,199 | -0.1% | 1,800,475 | 308,222,674 | -0.1% | 306,042,627 | -0.1% | 1,786,975 | 307,829,602 | -0.1% |
| Change in Biennial Totals | | | | | | | | 3,587,450 | | |

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY09 Actual | FY10 Actual | % Chg. | FY11 Actual | % Chg. | FY12 Actual | % Chg. | FY13 Actual | % Chg. | FY13 Budget | Variance | % Chg. |
|---|-------------------|-------------------|---------------|-------------------|--------------|-------------------|-------------|-------------------|--------------|-------------------|--------------|--------------|
| Tobacco Settlement Payments: | | | | | | | | | | | | |
| - Base Payments | 52,579,385 | 43,756,453 | -16.8% | 41,484,712 | -5.2% | 42,306,831 | 2.0% | 42,276,735 | -0.1% | 42,536,456 | (259,721) | -0.6% |
| - Strategic Contribution Payments | 10,799,369 | 9,375,838 | -13.2% | 8,544,647 | -8.9% | 8,702,217 | 1.8% | 8,709,923 | 0.1% | 8,450,202 | 259,721 | 3.1% |
| Racino Revenue * | 4,981,163 | 4,500,000 | -9.7% | 4,500,000 | 0.0% | 4,500,000 | 0.0% | 0 | -100.0% | 0 | 0 | N/A |
| Income from Investments | 49,819 | 20,511 | -58.8% | 2,494 | -87.8% | 7,858 | 215.0% | 5,657 | -28.0% | 4,469 | 1,188 | 26.6% |
| Attorney General Reimbursements and Other Income ** | 0 | (92,660) | N/A | (145,147) | -56.6% | 0 | 100.0% | 0 | N/A | 0 | 0 | N/A |
| Total - FHM Revenue | 68,409,736 | 57,560,142 | -15.9% | 54,386,707 | -5.5% | 55,516,906 | 2.1% | 50,992,315 | -8.1% | 50,991,127 | 1,188 | -8.2% |

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund. PL 2011 c. 380, Part II extended the \$4.5 million cap through 2012-13. PL 2011 c. 477 re-directed \$2 million of the 2012-13 transfer to the General Fund and PL 2011, c. 657 re-directed the remaining \$2.5 million of the 2012-13 transfer to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective July 1, 2011.

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY14 Budget | % Chg. | Recom. Chg. | FY14 Revised | % Chg. | FY15 Budget | % Chg. | Recom. Chg. | FY15 Revised | % Chg. |
|--|-------------------|-------------|------------------|-------------------|-------------|-------------------|--------------|------------------|-------------------|-------------|
| Tobacco Settlement Payments: | | | | | | | | | | |
| - Base Payments | 41,825,854 | -1.1% | 1,001,014 | 42,826,868 | 1.3% | 41,379,781 | -1.1% | 6,206,167 | 47,585,948 | 11.1% |
| - Strategic Contribution Payments | 8,617,031 | -1.1% | 213,980 | 8,831,011 | 1.4% | 8,525,131 | -1.1% | 137,382 | 8,662,513 | -1.9% |
| | | | | | N/A | | | | | |
| Racino Revenue * | 4,259,143 | N/A | 0 | 4,259,143 | N/A | 4,430,980 | 4.0% | 0 | 4,430,980 | 4.0% |
| Income from Investments | 3,754 | -33.6% | 0 | 3,754 | -33.6% | 5,090 | 35.6% | 0 | 5,090 | 35.6% |
| Attorney General Reimbursements and Other Income ** | 0 | N/A | 0 | 0 | N/A | 0 | N/A | 0 | 0 | N/A |
| Total - FHM Revenue | 54,705,782 | 7.3% | 1,214,994 | 55,920,776 | 9.7% | 54,340,982 | -0.7% | 6,343,549 | 60,684,531 | 8.5% |
| Change in Biennial Totals | | | | | | | | 7,558,543 | | |

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund. PL 2011 c. 380, Part II extended the \$4.5 million cap through 2012-13. PL 2011 c. 477 re-directed \$2 million of the 2012-13 transfer to the General Fund and PL 2011, c. 657 re-directed the remaining \$2.5 million of the 2012-13 transfer to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective July 1, 2011.

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY16 Projections | % Chg. | Recom. Chg. | FY16 Revised | % Chg. | FY17 Projections | % Chg. | Recom. Chg. | FY17 Revised | % Chg. |
|--|-------------------|--------------|----------------|-------------------|--------------|-------------------|--------------|------------------|-------------------|--------------|
| Tobacco Settlement Payments: | | | | | | | | | | |
| - Base Payments | 40,938,466 | -1.1% | 685,614 | 41,624,080 | -12.5% | 40,501,857 | -1.1% | 733,179 | 41,235,036 | -0.9% |
| - Strategic Contribution Payments | 8,434,210 | -1.1% | 147,541 | 8,581,751 | -0.9% | 8,344,259 | -1.1% | 157,483 | 8,501,742 | -0.9% |
| Racino Revenue * | 4,475,290 | 1.0% | 0 | 4,475,290 | 1.0% | 4,520,043 | 1.0% | 0 | 4,520,043 | 1.0% |
| Income from Investments | 13,485 | 164.9% | 0 | 13,485 | 164.9% | 17,949 | 33.1% | 0 | 17,949 | 33.1% |
| Attorney General Reimbursements and Other Income ** | 0 | N/A | 0 | 0 | N/A | 0 | N/A | 0 | 0 | N/A |
| Total - FHM Revenue | 53,861,451 | -0.9% | 833,155 | 54,694,606 | -9.9% | 53,384,108 | -0.9% | 890,662 | 54,274,770 | -0.8% |
| Change in Biennial Totals | | | | | | | | 1,723,817 | | |

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund. PL 2011 c. 380, Part II extended the \$4.5 million cap through 2012-13. PL 2011 c. 477 re-directed \$2 million of the 2012-13 transfer to the General Fund and PL 2011, c. 657 re-directed the remaining \$2.5 million of the 2012-13 transfer to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective July 1, 2011.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY09 Actual | FY10 Actual | % Chg. | FY11 Actual | % Chg. | FY12 Actual | % Chg. | FY13 Actual | % Chg. | FY13 Budget | Variance | % Chg. |
|--|--------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-----------------|-------------|
| Nursing Facility Tax* | 28,777,390 | 32,403,540 | 12.6% | 31,728,140 | -2.1% | 34,073,327 | 7.4% | 35,370,670 | 3.8% | 35,349,317 | 21,353 | 3.7% |
| Residential Treatment Facility (ICFs/MR) Tax* | 1,572,670 | 1,859,374 | 18.2% | 1,817,768 | -2.2% | 2,113,206 | 16.3% | 1,929,457 | -8.7% | 1,970,446 | (40,989) | -6.8% |
| Hospital Tax ** | 69,958,821 | 70,140,794 | 0.3% | 80,595,499 | 14.9% | 80,909,981 | 0.4% | 80,942,050 | 0.0% | 81,386,215 | (444,165) | 0.6% |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs)*** | 37,720,482 | 35,609,109 | -5.6% | 33,880,370 | -4.9% | 34,829,087 | 2.8% | 34,998,876 | 0.5% | 34,569,000 | 429,876 | -0.7% |
| Total - Health Care Provider Taxes | 138,029,363 | 140,012,817 | 1.4% | 148,021,777 | 5.7% | 151,925,600 | 2.6% | 153,241,054 | 0.9% | 153,274,978 | (33,924) | 0.9% |

* The nursing facility and residential treatment facility tax rates were decreased in PL 2007, c. 539, Part X from 6.0% to 5.5% beginning in FY09 consistent with federal law. PL 2011, c. 411 increases the rates back to 6% effective October 1, 2011 consistent with federal law.

** The hospital tax base year was modified in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11 and again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14.

*** The MaineCare service provider tax was expanded in FY06 to include: community support services (effective 6/29/05), day habilitation services (effective 7/1/05), personal support services (effective 7/1/05) and residential training services (effective 7/1/05)

MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY14 Budget | % Chg. | Recom. Chg. | FY14 Revised | % Chg. | FY15 Budget | % Chg. | Recom. Chg. | FY15 Revised | % Chg. |
|---|--------------------|--------------|--------------------|--------------------|-------------|--------------------|-------------|--------------------|--------------------|-------------|
| Nursing Facility Tax* | 35,349,317 | -0.1% | 0 | 35,349,317 | -0.1% | 35,349,317 | 0.0% | 0 | 35,349,317 | 0.0% |
| Residential Treatment Facility (ICFs/MR) Tax* | 1,970,446 | 2.1% | 0 | 1,970,446 | 2.1% | 1,970,446 | 0.0% | 0 | 1,970,446 | 0.0% |
| Hospital Tax ** | 99,255,811 | 22.6% | (3,192,945) | 96,062,866 | 18.7% | 99,255,811 | 0.0% | (3,192,945) | 96,062,866 | 0.0% |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs) | 35,445,943 | 1.3% | (390,896) | 35,055,047 | 0.2% | 35,445,943 | 0.0% | (390,896) | 35,055,047 | 0.0% |
| Total - Health Care Provider Taxes | 172,021,517 | 12.3% | (3,583,841) | 168,437,676 | 9.9% | 172,021,517 | 0.0% | (3,583,841) | 168,437,676 | 0.0% |
| Change in Biennial Totals | | | | | | | | (7,167,682) | | |

* The nursing facility and residential treatment facility tax rates were decreased in PL 2007, c. 539, Part X from 6.0% to 5.5% beginning in FY09 consistent with federal law. PL 2011, c. 411 increases the rates back to 6% effective October 1, 2011 consistent with federal law.

** The hospital tax base year was modified in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11 and again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2014 FORECAST

| Source | FY 16 Projections | % Chg. | Recom. Chg. | FY16 Revised | % Chg. | FY 17 Projections | % Chg. | Recom. Chg. | FY17 Revised | % Chg. |
|---|--------------------|-------------|--------------------|--------------------|-------------|--------------------|-------------|--------------------|--------------------|-------------|
| Nursing Facility Tax* | 35,349,317 | 0.0% | 0 | 35,349,317 | 0.0% | 35,349,317 | 0.0% | 0 | 35,349,317 | 0.0% |
| Residential Treatment Facility (ICFs/MR) Tax* | 1,970,446 | 0.0% | 0 | 1,970,446 | 0.0% | 1,970,446 | 0.0% | 0 | 1,970,446 | 0.0% |
| Hospital Tax ** | 99,255,811 | 0.0% | (3,192,945) | 96,062,866 | 0.0% | 99,255,811 | 0.0% | (3,192,945) | 96,062,866 | 0.0% |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs) | 35,445,943 | 0.0% | (390,896) | 35,055,047 | 0.0% | 35,445,943 | 0.0% | (390,896) | 35,055,047 | 0.0% |
| Total - Health Care Provider Taxes | 172,021,517 | 0.0% | (3,583,841) | 168,437,676 | 0.0% | 172,021,517 | 0.0% | (3,583,841) | 168,437,676 | 0.0% |
| Change in Biennial Totals | | | | | | | | (7,167,682) | | |

* The nursing facility and residential treatment facility tax rates were decreased in PL 2007, c. 539, Part X from 6.0% to 5.5% beginning in FY09 consistent with federal law. PL 2011, c. 411 increases the rates back to 6% effective October 1, 2011 consistent with federal law.

** The hospital tax base year was modified in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11 and again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14.



Revenue Forecasting Committee
March 2014 Forecast

Appendix E

Economic Background Information

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**Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
February 1, 2014**

Commissioners

James A. Clair, Chair
Vice President
Goold Health Systems, an Emdeon Company

Gradon R. Haehnel
Manager of Engineering & Asset Management
Emera Maine

Joel D. Johnson
Economist
Maine Center for Economic Policy

J. Scott Moody
Chief Executive Officer
Maine Heritage Policy Center

Eric N. Stinneford
Vice President – Controller, Treasurer & Clerk
Central Maine Power

Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on January 30, 2014, to review and revise the November 2013 forecast. This report provides a summary of the Commission's findings.

The Maine and U.S. economies continued along the path of gradual improvement since the CEFC met in October 2013, with Maine's economy continuing to grow more slowly than the nation as a whole.

Personal income in Maine grew 2.5% year-over-year in the first three quarters of 2013, while wage and salary income, which makes up around half of total personal income, grew 2.7% over the same period. The debt-to-income level for Maine businesses and households jumped to pre-recession levels in the second quarter of 2013. The Consumer Price Index was 1.5% higher in December 2013 than it was in December 2012.

Nationwide, consumer sentiment increased 9.9% month-over-month in December while small business optimism increased 1.5% over the month and was up 6.7% over the previous year's level. The price of crude oil decreased 0.3% in the fourth quarter of 2013 to around \$109 per barrel. Heating oil prices increased slightly through the current heating season while gasoline prices remained relatively steady.

Existing single-family home sales in Maine were up 11.5% in December 2013 compared to December 2012 and housing permits for the December 2012-November 2013 year were 14.4% higher than the previous 12-month period. The median home price in the Portland Metropolitan Statistical Area (York, Cumberland, and Sagadahoc Counties) increased 5.3% year-over-year in the third quarter of 2013. Mortgage delinquency rates remain above pre-recession levels but below peak crisis levels. The foreclosure rate in Maine declined in the third quarter of 2013 although it remained above the national rate for a fifth straight quarter.

With only one or two new data points, much of the forecast was left unchanged from the December 2013 forecast. Wage and salary employment, inflation, and several components of personal income were left unchanged. The major revisions to the forecast were to corporate profits and dividends, interest, and rent. Transfer payments were adjusted for 2013 and 2014. Non-farm proprietors' income was adjusted for 2013 only. In each of these cases, the forecast was adjusted to accept the IHS Economics baseline forecast.

The forecasts for wage and salary employment, wage and salary income, and supplements to wages and salaries remain below the Moody's Analytics and IHS Economics forecasts in most years. This is a result of the consensus that these forecasts are based on overly optimistic population projections for the state of Maine, causing employment forecasts, among other things, to grow at an unattainable rate. For this reason, employment and the components of income most closely correlated with employment levels were left unchanged from the previous downward revision.

Total personal income was left unchanged for 2013 and revised downwards by a tenth of a percentage point for each year of 2014-2017. The Commission accepted the baseline forecast from IHS Economics for corporate profits for all years.

The table below provides the forecast's major indicators.

| Calendar Years | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------|------|------|------|------|------|
| Wage & Salary Employment (Annual Percentage Change) | | | | | | |
| CEFC Forecast 11/2013 | 0.5 | 0.5 | 0.7 | 0.7 | 0.7 | 0.5 |
| CEFC Forecast 02/2014 | 0.5 | 0.5 | 0.7 | 0.7 | 0.7 | 0.5 |
| Personal Income (Annual Percentage Change) | | | | | | |
| CEFC Forecast 11/2013 | 3.2 | 2.3 | 4.4 | 3.8 | 4.1 | 4.3 |
| CEFC Forecast 02/2014 | 3.2 | 2.3 | 4.3 | 3.7 | 4.0 | 4.2 |
| Wage and Salary Income (Annual Percentage Change) | | | | | | |
| CEFC Forecast 11/2013 | 2.3 | 2.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| CEFC Forecast 02/2014 | 2.3 | 2.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| CPI (Annual Percentage Change) | | | | | | |
| CEFC Forecast 11/2013 | 2.1 | 1.5 | 1.6 | 1.7 | 1.9 | 1.9 |
| CEFC Forecast 02/2014 | 2.1 | 1.5 | 1.6 | 1.7 | 1.9 | 1.9 |

In deliberations leading to consensus, the CEFC considered information presented by several state agencies, including the Maine Department of Labor, Maine Revenue Services, and the Office of Policy and Management. The following sections summarize these reports.

Office of Policy and Management

Very little new data was available since the CEFC last met in October 2013. In many cases, only one or two new data points were available.

According to preliminary estimates from the U.S. Bureau of Economic Analysis, total personal income grew 2.5% year-over-year and wage and salary income grew 2.7% year-over-year in the first three quarters of 2013. Total personal income for the final quarter of 2013 would need to be 0.7% lower than the first three quarters of 2013 to hit the CEFC's annual forecast for 2013. Wage and salary disbursements would also need to be 0.7% lower. Wage and salary disbursements, which are the largest component of personal income, averaged around \$25 billion in the first three quarters of 2013 (seasonally adjusted at annual rates). Total personal income averaged around \$54 billion. Maine's debt to income ratio was 23.7% in the third quarter of 2013. The debt to income ratio jumped dramatically in the second quarter of 2013, returning to pre-recession levels.

The Consumer Price Index (CPI) rose 1.5% from December 2012 to December 2013. Core inflation, which excludes food and energy prices, rose 1.7% over the same period. The Chained Consumer Price Index (Chained CPI) rose 1.3% from December 2012 to December 2013. Core inflation rose 1.5% over the same period. Chained CPI allows for substitutions in the basket of goods and services being measured.

In December 2013, the survey-based University of Michigan Consumer Sentiment Index increased 9.9% month-over-month and was up 13.2% from a year ago. The survey-based National Federation of Independent Business (NFIB) Small Business Optimism Index increased 1.5% from the previous month and was up 6.7% from December 2012.

The price of Brent crude oil was \$109.35 per barrel in the fourth quarter of 2013, a decrease of 0.3% from the third quarter of 2013 and a 0.7% decrease from the fourth quarter of 2012. The

price of heating oil in Maine has risen slightly through the 2013-2014 heating season, to \$3.83 the week of January 20, 2014. The price of heating oil in Maine has been fairly steady over the past three heating seasons, averaging around \$3.73/gallon. The price of gasoline in New England on January 20, 2014 averaged \$3.58, a decrease of \$0.03 per gallon over the previous week and unchanged from a year ago. The price of gasoline has ranged between approximately \$3.50 and \$4.00 per gallon since March of 2011.

Single family existing-home sales in Maine were up 11.5% in December 2013 compared to December 2012. Average monthly single unit housing permits in Maine in the 12-month period from December 2012 through November 2013 were 14.4% higher than in the previous 12-month period. The median home price in the Portland – South Portland – Biddeford metropolitan area increased 5.3% year-over-year in the third quarter of 2013. The median home price in the third quarter of 2013 was \$236,000. The share of mortgages in Maine that are delinquent 30 days or more was 6.6% in the third quarter of 2013, continuing the recent downward trend. The rate is below the recent peak of 9% in the first quarter of 2010 but remains above pre-recession levels. Maine's foreclosure rate declined to 0.71% in the third quarter of 2013, coming back down from two quarters of higher foreclosure starts, although remaining above the national rate for a fifth straight quarter.

Maine Department of Labor

Workforce conditions continue to gradually improve. Maine's unemployment rate trended down one full percentage point over the year to 6.2 percent in December. The improvement continues to be driven by rising employment to population ratios, which increased 0.7 points to 61.2 percent. Annual revisions to those preliminary estimates are in process and will be published in March. Revisions are likely to eliminate some the directional turns that occurred in 2013, demonstrating a steadier trend from month to month.

Improvement in Maine's unemployment rate continues to be driven by a rising share of employed population. This stands in significant contrast to the nation, which has had no improvement in the share of employed population in four years. U.S. unemployment rate declines have been due to millions leaving the labor force.

Payroll job growth in Maine continues to lag the nation during the recovery, though this reflects our lack of working age population growth. Private sector payroll job growth continues to be partially offset by declines in government. During the recovery, a large share of growth has been concentrated in human capital intensive sectors, including professional services, education, and health care. Job losses during and after the downturn were concentrated in labor-intensive sectors, including manufacturing, construction, and retail. A large share of workers displaced from those sectors lack the education or experience to become employed in the sectors that are growing.

Labor force participation rates differ significantly among age groups. Over 80 percent of those age 25 to 54 are in the labor force. Participation rates decline at an accelerating rate with age thereafter. Through the CEFC forecast horizon to 2017 Maine will have an unusually large share of population advancing into their upper 50s, 60s, and 70s, thousands of whom will leave the workforce. The population of young people who will enter the workforce is much smaller.

In the near-term, a continuation on the path to more sound economic conditions will provide a counterbalance to the demographic tide. Given the size of the labor force today, a reduction in the unemployment rate to the 4.5 to 5 percent range that prevailed before the recession would produce employment growth of 9,000 to 12,000. Longer-term, especially after 2015, Maine will need to entice more working-age people into the state.

The presentation is available at

www.maine.gov/labor/cwri/publications/pdf/CEFC_January_30_2014.pdf

Maine Revenue Services

Total general fund revenues for the month of December 2013 were over budget by \$5.1 million and over budget for the first half of FY14 by \$1.2 million (0.1%). The positive variance for the month came mostly from sales & use and individual income tax receipts, which were a combined \$7.6 million over budget for the month and fiscal year-to-date. Of the individual income tax variance for the month, three-quarters was from final payments being over budget and refunds being under budget.

The sales and use tax line was over budget by 2.6% (\$2.1 million) for December. December receipts represent November sales and the early stages of the holiday shopping season. Year-over-year taxable sales growth in November was 3.1%, approximately half the growth in taxable sales experienced over the previous six month period. The slowdown in taxable growth came from a moderation in the building supply and auto/transportation sales. The general sales tax rate was increased October 1, 2013, from 5% to 5.5% and the tax on meals and lodging was increased from 7% to 8%.

The highway fund was \$3.5 million over budget fiscal year-to-date, with a 3.8% variance in fuel tax collections driving the fiscal year surplus. However, even with the current increase, the fuel tax was only up 1.4% compared to the same six month period last fiscal year.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics baseline scenario and the IHS Economics baseline scenario, both for January 2014. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 2013 forecast. Overall, the CEFC felt the IHS Economics assumptions and forecast better reflected their current views of the economy. The key national macroeconomic assumptions from IHS are outlined below.

- The discretionary spending limits from the Bipartisan Budget Act have been incorporated into the forecast along with fourth-quarter assumptions from the October shutdown. The forecast assumes that extended unemployment benefits are not extended into 2014.
- The Fed continues tapering through most of 2014 in increments averaging around \$10 billion per Fed meeting. Tapering should wrap up by the fourth quarter of 2014.

- The dollar is expected to fall against the currencies of the U.S.'s major trading partners. Real GDP growth in the U.S.'s major-currency trading partners is projected to increase 2.0% annually.
- Brent crude oil prices are expected to remain in the \$99-\$108 range through 2019. Overall energy demand is expected to grow at a slower pace in 2014 than in 2013 and at an average rate of about 0.8% annually from 2014-2023 as energy conservation efforts take hold.

Consensus Forecast

The CEFC members continued to believe that the national forecasts are likely overly optimistic in their population and employment projections for the state. The previous forecast lowered employment growth to reach a level more in line with current population trends and historical employment to population ratios. The new forecast left those growth rates unchanged. This results in employment around 616,000 in 2017; this remains below the pre-recession employment peak.

The CEFC also left unchanged its forecasts of wage and salary income growth and other labor income in order to keep in line with its previous employment forecast. Non-farm proprietors' income was left largely unchanged, with a 0.2 percentage point increase in 2013 to match new data reflected in the IHS baseline. The other components of personal income were adopted from the IHS baseline. The overall result for total personal income was no change to the growth rate in 2013 and a 0.1 percentage point reduction in each of the years from 2014-2017.

The CEFC left its forecast for inflation, as measured by the Consumer Price Index, unchanged for all years. The inflation forecast calls for relatively steady growth between 1.6% this year and 1.9% in 2016-2017. The CEFC again agreed with the IHS forecast for corporate profits.

In general, the CEFC felt that Maine is experiencing growth, albeit at a slower rate than the U.S., and there continue to be some sources of concern, primarily the demographic situation with an aging population and little to no population growth.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

| February 2014 Forecast | History | Forecast | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| CPI-U* (Annual Change) | 2.1% | 1.5% | 1.6% | 1.7% | 1.9% | 1.9% |
| CPI for Energy Prices** (Annual Change) | 0.9% | -0.7% | -2.0% | -0.4% | 0.9% | 1.2% |
| Average Price of a New Vehicle** (Annual Change) | 0.5% | 0.9% | 3.3% | 3.2% | 3.2% | 3.2% |
| New Vehicle Registrations** (Annual Change) | 11.2% | 7.4% | 8.0% | 0.0% | 0.0% | -0.6% |
| Personal Savings Rate** | 5.6% | 4.5% | 4.9% | 5.2% | 5.6% | 6.0% |
| Maine Unemployment Rate** | 7.3% | 6.9% | 5.9% | 5.3% | 4.9% | 4.6% |
| 3-Month Treasury Bill Rate** | 0.09% | 0.06% | 0.07% | 0.40% | 2.18% | 3.62% |
| 10-Year Treasury Note Rate** | 1.80% | 2.35% | 3.02% | 3.31% | 3.89% | 4.49% |
| Before-Tax Corporate Profits* (Annual Change) | 18.5% | 3.7% | 14.2% | 0.8% | 0.1% | -1.0% |
| Maine Wage & Salary Employment* (thousands) | 597.6 | 600.6 | 604.8 | 609.0 | 613.3 | 616.4 |
| Natural Resources | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Construction | 25.6 | 26.1 | 26.5 | 26.5 | 26.5 | 26.5 |
| Manufacturing | 50.8 | 50.8 | 50.9 | 50.9 | 50.9 | 50.6 |
| Trade/Trans./Public Utils. | 117.5 | 118.7 | 119.9 | 120.5 | 121.3 | 122.0 |
| Information | 7.9 | 8.0 | 7.9 | 7.9 | 8.0 | 8.0 |
| Financial Activities | 31.4 | 31.3 | 31.5 | 31.5 | 31.2 | 30.9 |
| Prof. & Business Services | 57.9 | 59.4 | 61.7 | 64.1 | 65.9 | 66.9 |
| Education & Health Services | 121.1 | 121.1 | 122.4 | 123.6 | 125.1 | 126.6 |
| Leisure & Hospitality Services | 61.7 | 63.3 | 64.2 | 64.7 | 65.1 | 65.4 |
| Other Services | 20.0 | 20.0 | 19.8 | 19.6 | 19.5 | 19.4 |
| Government | 101.3 | 99.5 | 97.3 | 97.3 | 97.4 | 97.5 |
| Agricultural Employment | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |
| Maine Wage & Salary Employment* (Annual Change) | 0.5% | 0.5% | 0.7% | 0.7% | 0.7% | 0.5% |
| Natural Resources | -0.6% | 1.0% | -0.1% | 0.4% | 0.5% | 0.0% |
| Construction | 1.2% | 1.8% | 1.6% | 0.0% | 0.1% | 0.1% |
| Manufacturing | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | -0.5% |
| Trade/Trans./Public Utils. | 0.4% | 1.1% | 1.0% | 0.5% | 0.6% | 0.6% |
| Information | -4.5% | 1.0% | -0.9% | -0.1% | 1.0% | 1.0% |
| Financial Activities | -0.6% | -0.3% | 0.7% | -0.3% | -0.7% | -1.1% |
| Prof. & Business Services | 0.7% | 2.5% | 3.9% | 3.9% | 2.8% | 1.5% |
| Education & Health Services | 1.2% | 0.0% | 1.0% | 1.0% | 1.2% | 1.2% |
| Leisure & Hospitality Services | 2.8% | 2.6% | 1.4% | 0.7% | 0.7% | 0.4% |
| Other Services | 0.4% | 0.1% | -1.1% | -0.9% | -0.8% | -0.3% |
| Government | -0.8% | -1.8% | -2.2% | 0.0% | 0.1% | 0.1% |
| Agricultural Employment | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Personal Income* (\$ million) | 53,283 | 54,485 | 56,830 | 58,961 | 61,305 | 63,905 |
| Wage & Salary Disbursements* | 24,359 | 24,943 | 25,792 | 26,668 | 27,575 | 28,513 |
| Supplements to Wages & Salaries* | 6,296 | 6,441 | 6,667 | 6,907 | 7,162 | 7,441 |
| Non-Farm Proprietors' Income* | 3,932 | 4,191 | 4,413 | 4,630 | 4,838 | 5,000 |
| Farm Proprietors' Income** | 88 | 129 | 100 | 97 | 98 | 98 |
| Dividends, Interest, & Rent* | 9,249 | 9,605 | 10,279 | 10,811 | 11,414 | 12,328 |
| Dividends | 2,662 | 2,860 | 3,224 | 3,383 | 3,519 | 3,631 |
| Interest | 4,297 | 4,552 | 4,764 | 5,158 | 5,676 | 6,498 |
| Rent | 2,289 | 2,193 | 2,292 | 2,270 | 2,219 | 2,199 |
| Transfer Payments* | 11,828 | 12,241 | 12,832 | 13,339 | 13,956 | 14,481 |
| Less: Contributions to Social Ins.** | 3,602 | 4,216 | 4,438 | 4,705 | 4,982 | 5,230 |
| Residence Adjustment** | 1,133 | 1,150 | 1,186 | 1,214 | 1,244 | 1,274 |
| Personal Income* (Annual Change) | 3.2% | 2.3% | 4.3% | 3.7% | 4.0% | 4.2% |
| Wage & Salary Disbursements* | 2.3% | 2.4% | 3.4% | 3.4% | 3.4% | 3.4% |
| Supplements to Wages & Salaries* | 3.3% | 2.3% | 3.5% | 3.6% | 3.7% | 3.9% |
| Non-Farm Proprietors' Income* | 7.6% | 6.6% | 5.3% | 4.9% | 4.5% | 3.3% |
| Farm Proprietors' Income** | -13.5% | 46.4% | -22.6% | -2.5% | 0.3% | 0.0% |
| Dividends, Interest, & Rent* | 5.6% | 3.9% | 7.0% | 5.2% | 5.6% | 8.0% |
| Dividends | 9.6% | 7.4% | 12.7% | 4.9% | 4.0% | 3.2% |
| Interest | 0.2% | 5.9% | 4.6% | 8.3% | 10.0% | 14.5% |
| Rent | 12.1% | -4.2% | 4.5% | -0.9% | -2.2% | -0.9% |
| Transfer Payments* | 1.6% | 3.5% | 4.8% | 4.0% | 4.6% | 3.8% |
| Less: Contributions to Social Ins.** | 2.6% | 17.1% | 5.3% | 6.0% | 5.9% | 5.0% |
| Residence Adjustment** | 2.8% | 1.5% | 3.1% | 2.4% | 2.5% | 2.4% |

*CEFC Forecast

**From IHS Economics - January 2014

Remaining lines derived from CEFC forecast by CEFC staff and reviewed by CEFC

Consensus Economic Forecasting Commission

Comparison of November 2013 and February 2014 Economic Forecasts

| <u>Calendar Years</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| • Wage & Salary Employment (Annual Percentage Change) | | | | | |
| > Consensus 11/2013 | 0.5% | 0.7% | 0.7% | 0.7% | 0.5% |
| > Consensus 2/2014 | 0.5% | 0.7% | 0.7% | 0.7% | 0.5% |
| Difference | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| • Personal Income (Annual Percentage Change) | | | | | |
| > Consensus 11/2013 | 2.3% | 4.4% | 3.8% | 4.1% | 4.3% |
| > Consensus 2/2014 | 2.3% | 4.3% | 3.7% | 4.0% | 4.2% |
| Difference | 0.0% | -0.1% | -0.1% | -0.1% | -0.1% |
| Major Components of Personal Income | | | | | |
| Wage and Salary Disbursements | | | | | |
| > Consensus 11/2013 | 2.4% | 3.4% | 3.4% | 3.4% | 3.4% |
| > Consensus 2/2014 | 2.4% | 3.4% | 3.4% | 3.4% | 3.4% |
| Difference | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Supplements to Wages and Salaries | | | | | |
| > Consensus 11/2013 | 2.3% | 3.5% | 3.6% | 3.7% | 3.9% |
| > Consensus 2/2014 | 2.3% | 3.5% | 3.6% | 3.7% | 3.9% |
| Difference | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Non-Farm Proprietors' Income | | | | | |
| > Consensus 11/2013 | 6.4% | 5.3% | 4.9% | 4.5% | 3.3% |
| > Consensus 2/2014 | 6.6% | 5.3% | 4.9% | 4.5% | 3.3% |
| Difference | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Dividends, Interest and Rent | | | | | |
| > Consensus 11/2013 | 4.7% | 6.8% | 5.0% | 5.9% | 8.4% |
| > Consensus 2/2014 | 3.9% | 7.0% | 5.2% | 5.6% | 8.0% |
| Difference | -0.8% | 0.2% | 0.2% | -0.3% | -0.4% |
| Transfer Payments | | | | | |
| > Consensus 11/2013 | 3.2% | 5.3% | 4.0% | 4.6% | 3.8% |
| > Consensus 2/2014 | 3.5% | 4.8% | 4.0% | 4.6% | 3.8% |
| Difference | 0.3% | -0.5% | 0.0% | 0.0% | 0.0% |
| • Consumer Price Index (Annual Percentage Change) | | | | | |
| > Consensus 11/2013 | 1.5% | 1.6% | 1.7% | 1.9% | 1.9% |
| > Consensus 2/2014 | 1.5% | 1.6% | 1.7% | 1.9% | 1.9% |
| Difference | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| • Before Tax Corporate Profits (Annual Percentage Change) | | | | | |
| > Consensus 11/2013 | 1.3% | 12.3% | 0.8% | 0.2% | -1.3% |
| > Consensus 2/2014 | 3.7% | 14.2% | 0.8% | 0.1% | -1.0% |
| Difference | 2.4% | 1.9% | 0.0% | -0.1% | 0.3% |



APPENDIX F

Maine Revenue Services Recommendations and Other Background Materials

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| Milk Price Forecast and Milk-related Revenue | F-1 |
| Revenue Sharing Transfers | F-3 |
| Fuel Forecast Detail | F-5 |

HANDLING FEE INCOME

| Month | FY14 | | FY15 | |
|--------|-------------|--------------------|-------------|--------------------|
| | Basic Price | Revenue | Basic Price | Revenue |
| June | \$22.18 | \$88,071 | \$23.28 | \$92,164 |
| July | \$22.16 | \$103,316 | \$22.41 | \$92,164 |
| August | \$22.13 | \$97,046 | \$21.84 | \$92,164 |
| Sept. | \$22.40 | \$86,028 | \$21.75 | \$92,164 |
| Oct. | \$22.45 | \$96,381 | \$21.77 | \$92,164 |
| Nov. | \$23.45 | \$90,460 | \$21.71 | \$92,164 |
| Dec. | \$23.62 | \$91,134 | \$21.39 | \$92,164 |
| Jan. | \$24.73 | \$92,164 | \$21.00 | \$92,164 |
| Feb. | \$25.27 | \$92,164 | \$21.00 | \$92,164 |
| March | \$25.72 | \$92,164 | \$21.00 | \$92,164 |
| April | \$25.37 | \$92,164 | \$21.00 | \$92,164 |
| May | \$24.38 | \$92,164 | \$21.00 | \$92,164 |
| | | \$1,113,256 | | \$1,105,968 |
| | | | | \$2,219,223 |

TIER PROGRAM PAYMENTS

| | Federal Blend/CWT | Federal MILC/CWT | Average Premium | Average Support/CWT | Total Pounds | Support Payment |
|-------------|-------------------|------------------|-----------------|---------------------|--------------|--|
| FY14 | | | | | | |
| Jun-13 | \$20.20 | \$0.24 | \$0.58 | \$0.01 | 51,910,695 | \$3,257 |
| Jul-13 | \$20.18 | \$0.06 | \$0.62 | \$0.03 | 51,090,292 | \$16,340 |
| Aug-13 | \$20.28 | \$0.00 | \$0.62 | \$0.04 | 51,330,054 | \$19,457 |
| Sep-13 | \$20.58 | \$0.00 | \$0.59 | \$0.03 | 48,252,441 | \$15,294 |
| Oct-13 | \$20.88 | \$0.00 | \$0.62 | \$0.01 | 49,201,561 | \$3,659 |
| Nov-13 | \$21.48 | \$0.00 | \$0.65 | \$0.00 | 48,289,429 | \$0 |
| Dec-13 | \$21.93 | \$0.00 | \$0.65 | \$0.00 | 51,576,971 | \$0 |
| Jan-14 | \$22.96 | \$0.00 | \$0.62 | \$0.00 | 49,730,533 | \$0 |
| Feb-14 | \$23.59 | \$0.00 | \$0.62 | \$0.00 | 46,935,723 | \$0 |
| Mar-14 | \$23.30 | \$0.00 | \$0.62 | \$0.00 | 52,051,351 | \$0 |
| Apr-14 | \$22.69 | \$0.00 | \$0.62 | \$0.00 | 51,464,482 | \$0 |
| May-14 | \$21.73 | \$0.00 | \$0.62 | \$0.00 | 53,921,259 | \$0 |
| | | | | | | FY14 Exp \$58,007 |
| | | | | | | .5% of net slot inc from Oxford \$340,567 |
| | | | | | | Net GF Exp (\$282,560) |
| | | | | | | Net GF Need \$0 |

| | Federal Blend/CWT | Federal MILC/CWT | Average Premium | Average Support/CWT | Total Pounds | Support Payment |
|-------------|-------------------|------------------|-----------------|---------------------|--------------|--|
| FY15 | | | | | | |
| Jun-14 | \$20.98 | \$0.00 | \$0.62 | \$0.00 | 51,910,695 | \$700 |
| Jul-14 | \$20.41 | \$0.00 | \$0.62 | \$0.04 | 51,090,292 | \$20,650 |
| Aug-14 | \$20.13 | \$0.00 | \$0.62 | \$0.14 | 51,330,054 | \$70,652 |
| Sep-14 | \$20.14 | \$0.00 | \$0.62 | \$0.12 | 48,252,441 | \$57,743 |
| Oct-14 | \$20.17 | \$0.00 | \$0.62 | \$0.10 | 48,991,875 | \$47,328 |
| Nov-14 | \$19.94 | \$0.00 | \$0.62 | \$0.18 | 48,289,429 | \$86,374 |
| Dec-14 | \$19.68 | \$0.00 | \$0.62 | \$0.25 | 51,576,971 | \$129,645 |
| Jan-15 | \$19.50 | \$0.00 | \$0.62 | \$0.34 | 51,473,452 | \$177,158 |
| Feb-15 | \$19.50 | \$0.00 | \$0.62 | \$0.32 | 46,935,723 | \$151,001 |
| Mar-15 | \$19.50 | \$0.00 | \$0.62 | \$0.31 | 52,051,351 | \$159,658 |
| Apr-15 | \$19.50 | \$0.00 | \$0.62 | \$0.29 | 51,464,482 | \$148,812 |
| May-15 | \$19.50 | \$0.00 | \$0.62 | \$0.28 | 53,921,259 | \$148,985 |
| | | | | | | FY15 Exp \$1,198,705 |
| | | | | | | .5% of net slot inc from Oxford \$634,928 |
| | | | | | | Net GF Exp \$563,777 |

Net GF Exp for FY 14 and 15 **\$563,777**

HANDLING FEE INCOME

| Month | FY16 | FY16 | FY17 | FY17 |
|--------|-------------|--------------------|-------------|--------------------|
| | Basic Price | Revenue | Basic Price | Revenue |
| June | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| July | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| August | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Sept. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Oct. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Nov. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Dec. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Jan. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| Feb. | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| March | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| April | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| May | \$21.00 | \$92,164 | \$21.00 | \$92,164 |
| | | <u>\$1,105,968</u> | | <u>\$1,105,968</u> |
| | | | | \$2,211,936 |

TIER PROGRAM PAYMENTS

| FY16 | Month | Federal | Federal | Average | Average | Total | Support |
|------|--------|-----------|----------|---------|------------|---------------------------------|--------------------|
| | | Blend/CWT | MILC/CWT | Premium | Support/CW | Pounds | Payment |
| | Jun-15 | \$19.50 | \$0.00 | \$0.62 | \$0.00 | 51,910,695 | \$438,925 |
| | Jul-15 | \$19.50 | \$0.00 | \$0.62 | \$0.00 | 51,090,292 | \$357,269 |
| | Aug-15 | \$19.50 | \$0.00 | \$0.62 | \$0.00 | 51,330,054 | \$291,443 |
| | Sep-15 | \$19.50 | \$0.00 | \$0.62 | \$0.00 | 48,252,441 | \$247,022 |
| | Oct-15 | \$19.50 | \$0.00 | \$0.62 | \$0.03 | 48,991,875 | \$231,959 |
| | Nov-15 | \$19.50 | \$0.00 | \$0.62 | \$0.02 | 48,289,429 | \$203,299 |
| | Dec-15 | \$19.50 | \$0.00 | \$0.62 | \$0.17 | 51,576,971 | \$192,332 |
| | Jan-16 | \$19.50 | \$0.00 | \$0.62 | \$0.30 | 51,473,452 | \$177,158 |
| | Feb-16 | \$19.50 | \$0.00 | \$0.62 | \$0.29 | 46,935,723 | \$151,001 |
| | Mar-16 | \$19.50 | \$0.00 | \$0.62 | \$0.26 | 52,051,351 | \$159,658 |
| | Apr-16 | \$19.50 | \$0.00 | \$0.62 | \$0.25 | 51,464,482 | \$148,812 |
| | May-16 | \$19.50 | \$0.00 | \$0.62 | \$0.23 | 53,921,259 | \$148,985 |
| | | | | | | FY16 Exp | \$2,747,862 |
| | | | | | | .5% of net slot inc from Oxford | \$355,891 |
| | | | | | | Net GF Exp | \$2,391,971 |

| FY17 | Month | Federal | Federal | Average | Average | Total | Support |
|------|--------|-----------|----------|---------|------------|------------------------------------|--------------------|
| | | Blend/CWT | MILC/CWT | Premium | Support/CW | Pounds | Payment |
| | Jun-16 | \$19.50 | \$0.00 | \$0.62 | \$0.72 | 51,910,695 | \$438,925 |
| | Jul-16 | \$19.50 | \$0.00 | \$0.62 | \$0.59 | 51,090,292 | \$357,269 |
| | Aug-16 | \$19.50 | \$0.00 | \$0.62 | \$0.48 | 51,330,054 | \$291,443 |
| | Sep-16 | \$19.50 | \$0.00 | \$0.62 | \$0.43 | 48,252,441 | \$247,022 |
| | Oct-16 | \$19.50 | \$0.00 | \$0.62 | \$0.39 | 48,991,875 | \$231,959 |
| | Nov-16 | \$19.50 | \$0.00 | \$0.62 | \$0.35 | 48,289,429 | \$203,299 |
| | Dec-16 | \$19.50 | \$0.00 | \$0.62 | \$0.32 | 51,576,971 | \$192,332 |
| | Jan-17 | \$19.50 | \$0.00 | \$0.62 | \$0.30 | 51,473,452 | \$177,158 |
| | Feb-17 | \$19.50 | \$0.00 | \$0.62 | \$0.29 | 46,935,723 | \$151,001 |
| | Mar-17 | \$19.50 | \$0.00 | \$0.62 | \$0.26 | 52,051,351 | \$159,658 |
| | Apr-17 | \$19.50 | \$0.00 | \$0.62 | \$0.25 | 51,464,482 | \$148,812 |
| | May-17 | \$19.50 | \$0.00 | \$0.62 | \$0.23 | 53,921,259 | \$148,985 |
| | | | | | | FY17 Exp | \$2,747,862 |
| | | | | | | .5% of net slot inc from Oxford Ca | \$359,450 |
| | | | | | | Net GF Exp | \$2,388,412 |

Net GF Exp for FY 16 and 17 **\$4,780,383**

Prepared by Tim Drake 1-27-14

NOTE: Basic Price is the Class I Price and is higher than the Uniform Federal Blend Price

Tier target prices: \$21.00, \$20.36, \$18.01, \$17.83

Ben Laine's forecast ends in Dec. 2015. Actual receipts for handling fee to date.

Transfers of Municipal Revenue Sharing

Current Law through December 2013 Revenue Forecast

| | FY12 Act. | FY13 Act. | FY14 | FY15 | FY16 | FY17 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2702 INDIVIDUAL INCOME TAX TRANSFER | (\$71,784,688) | (\$76,326,579) | (\$68,832,213) | (\$72,271,596) | (\$78,325,457) | (\$78,566,025) |
| 2703 CORPORATE INCOME TAX TRANSFER | (\$11,491,191) | (\$8,885,488) | (\$8,673,802) | (\$8,802,631) | (\$9,379,036) | (\$9,374,261) |
| 2704 SALES TAX TRANS/REV SHARING TRANSFER | (\$48,450,028) | (\$49,023,369) | (\$54,150,030) | (\$59,205,431) | (\$62,217,604) | (\$58,449,749) |
| 2738 SERVICE PROVIDER TAX TRANSFER | (\$2,501,694) | (\$2,506,059) | (\$2,446,135) | (\$2,507,086) | (\$2,802,083) | (\$2,612,612) |
| LGF Total 5% of Prior Months Sales and Income Tax Collections | (\$134,227,602) | (\$136,741,495) | (\$134,102,180) | (\$142,786,744) | (\$152,724,180) | (\$149,002,647) |
| 2727 FIXED TRANSFER FROM LOCAL GOVERNMENT FUND | \$40,350,638 | \$44,267,342 | \$73,306,246 | \$125,949,391 | \$0 | \$0 |
| 2744 FIXED TRANSFER TO DISPRO TAX BURDEN FUND | (\$3,000,000) | (\$3,500,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) |
| Net General Fund Transfers for Revenue Sharing | (\$96,876,964) | (\$95,974,153) | (\$64,795,934) | (\$20,837,353) | (\$156,724,180) | (\$153,002,647) |
| Disproportionate Tax Burden Fund (Revenue Sharing II) % Share | 17.0% | 18.0% | 19.0% | 20.0% | 20.0% | 20.0% |
| Disproportionate Tax Burden Fund (Revenue Sharing II) \$ Share | \$18,959,084 | \$20,145,348 | \$15,551,227 | \$7,367,471 | \$34,544,836 | \$33,800,529 |
| Local Government Fund (LGF) - Revenue Sharing I Share | \$77,917,880 | \$75,828,806 | \$49,244,707 | \$13,469,882 | \$122,179,344 | \$119,202,118 |

With March 2014 Revenue Revisions

| | FY12 Act. | FY13 Act. | FY14 | FY15 | FY16 | FY17 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2702 INDIVIDUAL INCOME TAX TRANSFER | (\$71,784,688) | (\$76,326,579) | (\$68,995,988) | (\$72,107,821) | (\$78,325,457) | (\$78,566,025) |
| 2703 CORPORATE INCOME TAX TRANSFER | (\$11,491,191) | (\$8,885,488) | (\$8,693,768) | (\$8,782,665) | (\$9,379,036) | (\$9,374,261) |
| 2704 SALES TAX TRANS/REV SHARING TRANSFER | (\$48,450,028) | (\$49,023,369) | (\$54,075,030) | (\$59,280,431) | (\$62,217,604) | (\$58,449,749) |
| 2738 SERVICE PROVIDER TAX TRANSFER | (\$2,501,694) | (\$2,506,059) | (\$2,446,135) | (\$2,507,086) | (\$2,802,083) | (\$2,612,612) |
| LGF Total 5% of Prior Months Sales and Income Tax Collections | (\$134,227,602) | (\$136,741,495) | (\$134,210,921) | (\$142,678,003) | (\$152,724,180) | (\$149,002,647) |
| 2727 FIXED TRANSFER FROM LOCAL GOVERNMENT FUND | \$40,350,638 | \$44,267,342 | \$73,306,246 | \$125,949,391 | \$0 | \$0 |
| 2744 FIXED TRANSFER TO DISPRO TAX BURDEN FUND | (\$3,000,000) | (\$3,500,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) |
| Net General Fund Transfers for Revenue Sharing | (\$96,876,964) | (\$95,974,153) | (\$64,904,675) | (\$20,728,612) | (\$156,724,180) | (\$153,002,647) |
| Disproportionate Tax Burden Fund (Revenue Sharing II) % Share | 17.0% | 18.0% | 19.0% | 20.0% | 20.0% | 20.0% |
| Disproportionate Tax Burden Fund (Revenue Sharing II) \$ Share | \$18,959,084 | \$20,145,348 | \$15,571,888 | \$7,345,722 | \$34,544,836 | \$33,800,529 |
| Local Government Fund (LGF) - Revenue Sharing I Share | \$77,917,880 | \$75,828,806 | \$49,332,787 | \$13,382,890 | \$122,179,344 | \$119,202,118 |

| Incremental Changes by Components - General Fund Revenue | | | | | | |
|---|--|--|--------------------|------------------|------------|------------|
| 2702 INDIVIDUAL INCOME TAX TRANSFER | | | (\$163,775) | \$163,775 | \$0 | \$0 |
| 2703 CORPORATE INCOME TAX TRANSFER | | | (\$19,966) | \$19,966 | \$0 | \$0 |
| 2704 SALES TAX TRANS/REV SHARING TRANSFER | | | \$75,000 | (\$75,000) | \$0 | \$0 |
| 2738 SERVICE PROVIDER TAX TRANSFER | | | \$0 | \$0 | \$0 | \$0 |
| | | | (\$108,741) | \$108,741 | \$0 | \$0 |

Revenue Sharing Transfer Calculations - March 2014 Revenue Forecast

Calculation of Lag Effect

| Annual Totals for Revenue Sharing Taxes | FY 2012 Act. | FY 2013 Act. | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sales and Use Tax | 981,257,805 | 986,747,637 | 1,108,677,783 | 1,189,592,333 | 1,124,149,905 | 1,173,045,251 |
| Service Provider Tax | 48,255,501 | 50,139,878 | 49,317,427 | 50,303,776 | 51,309,851 | 52,336,048 |
| Individual Income Tax | 1,434,217,189 | 1,521,862,756 | 1,380,685,000 | 1,447,229,000 | 1,519,437,000 | 1,576,303,000 |
| Corporate Income Tax | 232,117,995 | 171,987,073 | 169,706,958 | 177,651,225 | 186,375,104 | 187,713,515 |
| Total Revenue Sharing Base Changes | 2,695,848,491 | 2,730,737,344 | 2,708,387,168 | 2,864,776,334 | 2,881,271,860 | 2,989,397,814 |

June Tax Collections as a percent of Total Fiscal Year Tax Collections

| | | | | |
|-----------------------|--------|--------|--------|--------|
| Sales and Use Tax | 18.88% | 17.93% | 8.28% | 8.28% |
| Service Provider Tax | 17.76% | 17.74% | 8.17% | 8.17% |
| Individual Income Tax | 12.68% | 12.45% | 8.76% | 8.76% |
| Corporate Income Tax | 18.27% | 18.57% | 17.06% | 17.06% |

June Revenue Sharing General Fund transfer amounts transferred in July of next fiscal year ¹

| | FY 2012 Act. | FY 2013 Act. | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sales and Use Tax (2704) | (8,794,044) | (9,108,057) | (10,466,916) | (10,666,102) | (4,655,993) | (4,858,507) |
| Service Provider Tax (2738) | (417,348) | (418,283) | (438,019) | (446,122) | (209,532) | (213,722) |
| Individual Income Tax (2702) | (8,951,702) | (8,718,246) | (8,756,508) | (9,010,137) | (6,656,530) | (6,905,655) |
| Corporate Income Tax (2703) | (2,044,588) | (1,758,454) | (1,550,034) | (1,649,930) | (1,589,649) | (1,601,064) |
| Total | (20,207,682) | (20,003,040) | (21,211,477) | (21,772,291) | (13,111,704) | (13,578,948) |

June Prior Year Minus June Current Year = General Fund Revenue Increase (Decrease) from Lag Effect

| | | | | | | |
|------------------------------|----------------|------------------|------------------|----------------|--------------------|----------------|
| Sales and Use Tax (2704) | 612,862 | 314,013 | 1,358,859 | 199,186 | (6,010,109) | 202,514 |
| Service Provider Tax (2738) | (88,919) | 935 | 19,736 | 8,103 | (236,590) | 4,190 |
| Individual Income Tax (2702) | (73,829) | (233,456) | 38,262 | 253,629 | (2,353,607) | 249,125 |
| Corporate Income Tax (2703) | 114,709 | (286,134) | (208,420) | 99,896 | (60,281) | 11,415 |
| Total | 564,823 | (204,642) | 1,208,437 | 560,814 | (8,660,587) | 467,244 |

General Fund Transfers @ 5% of Base with Lag Effect

| | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sales and Use Tax (2704) | (48,450,028) | (49,023,369) | (54,075,030) | (59,280,431) | (62,217,604) | (58,449,749) |
| Service Provider Tax (2738) | (2,501,694) | (2,506,059) | (2,446,135) | (2,507,086) | (2,802,083) | (2,612,612) |
| Individual Income Tax (2702) | (71,784,688) | (76,326,594) | (68,995,988) | (72,107,821) | (78,325,457) | (78,566,025) |
| Corporate Income Tax (2703) | (11,491,191) | (8,885,488) | (8,693,768) | (8,782,665) | (9,379,036) | (9,374,261) |
| Subtotal - Before Fixed Transfer | (134,227,602) | (136,741,510) | (134,210,921) | (142,678,003) | (152,724,180) | (149,002,647) |

Notes:

¹ Reflects the monthly distribution for the revenue sharing taxes for FY 2014 based on the revisions in this March 2014 revenue forecast.

Maine Revenue Services

Motor Fuel Tax Revenue FY'13 Actual and FY'14 - '17 Current Budget

| Fiscal Year | | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 | | |
|---|---------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------|---------|
| Net to the Highway Fund | | \$173,237,214 | \$170,254,740 | \$169,470,114 | \$169,127,404 | \$168,784,694 | | |
| 0329 TransCap Trust Fund - 7.5% | 7.500% | \$14,061,805 | \$13,804,439 | \$13,740,820 | \$13,713,033 | \$13,685,245 | 7.500% | |
| Net before transfer to TransCap Fund | | \$187,299,019 | \$184,059,179 | \$183,210,934 | \$182,840,437 | \$182,469,939 | | |
| 0330 Transfer \$100,000 to STAR Fund | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Gross to the Highway Fund | | \$187,299,019 | \$184,059,179 | \$183,210,933 | \$182,840,437 | \$182,469,939 | 97.499% | |
| DIF&W and Snowmobile Fund | 0.9045% | \$1,739,350 | \$1,707,513 | \$1,699,646 | \$1,696,209 | \$1,692,772 | 0.9045% | |
| 0334 General Fund - DIF&W - 14.93% | | \$259,685 | \$254,932 | \$253,757 | \$253,244 | \$252,731 | | 14.930% |
| 0335 Snowmobile Trail Fund - 85.07% | | \$1,479,665 | \$1,452,581 | \$1,445,885 | \$1,442,965 | \$1,440,041 | | 85.070% |
| All-terrain Vehicles | 0.1525% | \$293,257 | \$287,888 | \$286,564 | \$285,983 | \$285,404 | 0.1525% | |
| 0338 ATV Enforcement Fund- 50% | | \$146,628 | \$143,944 | \$143,282 | \$142,992 | \$142,702 | | 50.000% |
| 0336 ATV Recreational Fund - 50% | | \$146,628 | \$143,944 | \$143,282 | \$142,992 | \$142,702 | | 50.000% |
| Motorboats | 1.4437% | \$2,776,229 | \$2,725,420 | \$2,712,857 | \$2,707,371 | \$2,701,885 | 1.4437% | |
| 0339 Dept. of Marine Resources - 24.6% | | \$682,952 | \$670,455 | \$667,365 | \$666,013 | \$664,666 | | 24.600% |
| 0337 Boating Facilities Fund - 75.4% | | \$2,093,277 | \$2,054,968 | \$2,045,493 | \$2,041,358 | \$2,037,221 | | 75.400% |
| Total Net Revenue | | \$192,107,854 | \$188,780,000 | \$187,910,000 | \$187,530,000 | \$187,150,000 | 100.000% | |
| 0322 Gasoline Tax Refunds | | (\$305,811) | (\$960,000) | (\$960,000) | (\$960,000) | (\$960,000) | | |
| 0333 Gasoline Shrinkage Allowance | | (\$559,258) | (\$815,000) | (\$815,000) | (\$815,000) | (\$815,000) | | |
| 0321 Gross Gasoline Tax Revenue | | \$192,972,924 | \$190,555,000 | \$189,685,000 | \$189,305,000 | \$188,925,000 | | |
| Special Fuel Tax | | | | | | | | |
| Net to the Highway Fund | | \$41,302,615 | \$39,756,500 | \$39,414,250 | \$39,210,750 | \$39,007,250 | 92.50% | |
| 0308 TransCap Trust Fund - 7.5% | 7.500% | \$3,352,292 | \$3,223,500 | \$3,195,750 | \$3,179,250 | \$3,162,750 | 7.50% | |
| Total Net Revenue | | \$44,654,907 | \$42,980,000 | \$42,610,000 | \$42,390,000 | \$42,170,000 | 100.00% | |
| 0312 IFTA Refunds | | (\$2,514,620) | (\$3,022,265) | (\$3,022,265) | (\$3,022,265) | (\$3,022,265) | | |
| 0325 Off-Highway Refunds | | (\$4,480,006) | (\$4,500,000) | (\$4,500,000) | (\$4,500,000) | (\$4,500,000) | | |
| 0326 Interest Payments | | \$31 | \$0 | \$0 | \$0 | \$0 | | |
| 0311 Gross Special Fuel Tax Revenue | | \$51,649,502 | \$50,502,265 | \$50,132,265 | \$49,912,265 | \$49,692,265 | | |
| Total Net Motor Fuel Tax Revenue to the Highway Fund | | \$214,539,829 | \$210,011,240 | \$208,884,364 | \$208,338,154 | \$207,791,944 | | |
| Transcap Transfers | | \$17,414,097 | \$17,027,939 | \$16,936,570 | \$16,892,283 | \$16,847,995 | | |
| Total Other Fund Gasoline Tax Distributions | | \$4,808,835 | \$4,720,821 | \$4,699,066 | \$4,689,563 | \$4,680,061 | | |
| Total Net Motor Fuel Tax Revenue to All Funds | | \$236,762,761 | \$231,760,000 | \$230,520,000 | \$229,920,000 | \$229,320,000 | | |
| Growth Rate | | | -2.1% | -0.5% | -0.3% | -0.3% | | |

Maine Revenue Services
 Motor Fuel Tax Revenue FY'13 Actual and FY'14 - '17 Forecast
 February 2014

| | | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 | | |
|---|---------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|---------|
| Net to the Highway Fund | | \$173,237,214 | \$172,058,477 | \$171,273,850 | \$170,931,141 | \$170,588,431 | | |
| 0329 TransCap Trust Fund - 7.5% | 7.500% | \$14,061,805 | \$13,950,687 | \$13,887,069 | \$13,859,282 | \$13,831,494 | 7.500% | |
| Net before transfer to TransCap Fund | | \$187,299,019 | \$186,009,164 | \$185,160,919 | \$184,790,423 | \$184,419,925 | | |
| 0330 Transfer \$100,000 to STAR Fund | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Gross to the Highway Fund | | \$187,299,019 | \$186,009,164 | \$185,160,919 | \$184,790,423 | \$184,419,925 | 97.499% | |
| DIF&W and Snowmobile Fund | 0.9045% | \$1,739,350 | \$1,725,605 | \$1,717,736 | \$1,714,299 | \$1,710,862 | 0.9045% | |
| 0334 General Fund - DIF&W - 14.93% | | \$259,685 | \$257,633 | \$256,458 | \$255,945 | \$255,432 | | 14.930% |
| 0335 Snowmobile Trail Fund - 85.07% | | \$1,479,665 | \$1,467,972 | \$1,461,278 | \$1,458,354 | \$1,455,430 | | 85.070% |
| All-terrain Vehicles | 0.1525% | \$293,257 | \$290,940 | \$289,614 | \$289,033 | \$288,454 | 0.1525% | |
| 0338 ATV Enforcement Fund- 50% | | \$146,628 | \$145,470 | \$144,807 | \$144,517 | \$144,227 | | 50.000% |
| 0336 ATV Recreational Fund - 50% | | \$146,628 | \$145,470 | \$144,807 | \$144,517 | \$144,227 | | 50.000% |
| Motorboats | 1.4437% | \$2,776,229 | \$2,754,291 | \$2,741,731 | \$2,736,245 | \$2,730,759 | 1.4437% | |
| 0339 Dept. of Marine Resources - 24.6% | | \$682,952 | \$677,556 | \$674,466 | \$673,116 | \$671,767 | | 24.600% |
| 0337 Boating Facilities Fund - 75.4% | | \$2,093,277 | \$2,076,735 | \$2,067,265 | \$2,063,129 | \$2,058,992 | | 75.400% |
| Total Net Revenue | | \$192,107,854 | \$190,780,000 | \$189,910,000 | \$189,530,000 | \$189,150,000 | 100.000% | |
| 0322 Gasoline Tax Refunds | | (\$305,811) | (\$960,000) | (\$960,000) | (\$960,000) | (\$960,000) | | |
| 0333 Gasoline Shrinkage Allowance | | (\$559,258) | (\$815,000) | (\$815,000) | (\$815,000) | (\$815,000) | | |
| 0321 Gross Gasoline Tax Revenue | | \$192,972,924 | \$192,555,000 | \$191,685,000 | \$191,305,000 | \$190,925,000 | | |
| Special Fuel Tax | | | | | | | | |
| Net to the Highway Fund | | \$41,302,615 | \$39,756,500 | \$39,414,250 | \$39,210,750 | \$39,007,250 | 92.50% | |
| 0308 TransCap Trust Fund - 7.5% | 7.500% | \$3,352,292 | \$3,223,500 | \$3,195,750 | \$3,179,250 | \$3,162,750 | 7.50% | |
| Total Net Revenue | | \$44,654,907 | \$42,980,000 | \$42,610,000 | \$42,390,000 | \$42,170,000 | 100.00% | |
| 0312 IFTA Refunds | | (\$2,514,620) | (\$3,022,265) | (\$3,022,265) | (\$3,022,265) | (\$3,022,265) | | |
| 0325 Off-Highway Refunds | | (\$4,480,006) | (\$4,500,000) | (\$4,500,000) | (\$4,500,000) | (\$4,500,000) | | |
| 0326 Interest Payments | | \$31 | \$0 | \$0 | \$0 | \$0 | | |
| 0311 Gross Special Fuel Tax Revenue | | \$51,649,502 | \$50,502,265 | \$50,132,265 | \$49,912,265 | \$49,692,265 | | |
| Total Net Motor Fuel Tax Revenue to the Highway Fund | | \$214,539,829 | \$211,814,977 | \$210,688,100 | \$210,141,891 | \$209,595,681 | 90.6085% | |
| Transcap Transfers | | \$17,414,097 | \$17,174,187 | \$17,082,819 | \$17,038,532 | \$16,994,244 | 7.3466% | |
| Total Other Fund Gasoline Tax Distributions | | \$4,808,835 | \$4,770,836 | \$4,749,081 | \$4,739,577 | \$4,730,075 | 2.0448% | |
| Total Net Motor Fuel Tax Revenue to All Funds | | \$236,762,761 | \$233,760,000 | \$232,520,000 | \$231,920,000 | \$231,320,000 | 100.0000% | |
| Growth Rate | | | -1.3% | -0.5% | -0.3% | -0.3% | | |

Maine Revenue Services

Motor Fuel Tax Revenue

Variance - Current Budget vs. February 2014 Forecast

| | | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 | | |
|---|---------|------------|--------------------|--------------------|--------------------|--------------------|-----------------|---------|
| Net to the Highway Fund | | \$0 | \$1,803,737 | \$1,803,736 | \$1,803,737 | \$1,803,737 | | |
| 0329 TransCap Trust Fund - 7.5% | 7.500% | \$0 | \$146,248 | \$146,249 | \$146,249 | \$146,249 | 7.500% | |
| Net before transfer to TransCap Fund | | \$0 | \$1,949,985 | \$1,949,985 | \$1,949,986 | \$1,949,986 | | |
| 0330 Transfer \$100,000 to STAR Fund | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Gross to the Highway Fund | | \$0 | \$1,949,985 | \$1,949,986 | \$1,949,986 | \$1,949,986 | 97.499% | |
| DIF&W and Snowmobile Fund | 0.9045% | \$0 | \$18,092 | \$18,090 | \$18,090 | \$18,090 | 0.9045% | |
| 0334 General Fund - DIF&W - 14.93% | | \$0 | \$2,701 | \$2,701 | \$2,701 | \$2,701 | | 14.931% |
| 0335 Snowmobile Trail Fund - 85.07% | | \$0 | \$15,391 | \$15,393 | \$15,389 | \$15,389 | | 85.091% |
| All-terrain Vehicles | 0.1525% | \$0 | \$3,052 | \$3,050 | \$3,050 | \$3,050 | 0.1525% | |
| 0338 ATV Enforcement Fund- 50% | | \$0 | \$1,526 | \$1,525 | \$1,525 | \$1,525 | | 50.000% |
| 0336 ATV Recreational Fund - 50% | | \$0 | \$1,526 | \$1,525 | \$1,525 | \$1,525 | | 50.000% |
| Motorboats | 1.4437% | \$0 | \$28,871 | \$28,874 | \$28,874 | \$28,874 | 1.4437% | |
| 0339 Dept. of Marine Resources - 24.6% | | \$0 | \$7,101 | \$7,101 | \$7,103 | \$7,101 | | 24.593% |
| 0337 Boating Facilities Fund - 75.4% | | \$0 | \$21,767 | \$21,772 | \$21,771 | \$21,771 | | 75.403% |
| Total Net Revenue | | \$0 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | 100.000% | |
| 0322 Gasoline Tax Refunds | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0333 Gasoline Shrinkage Allowance | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0321 Gross Gasoline Tax Revenue | | \$0 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | | |
| Special Fuel Tax | | | | | | | | |
| Net to the Highway Fund | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0308 TransCap Trust Fund - 7.5% | 7.500% | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Total Net Revenue | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0312 IFTA Refunds | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0325 Off-Highway Refunds | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0326 Interest Payments | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 0311 Gross Special Fuel Tax Revenue | | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Total Net Motor Fuel Tax Revenue to the Highway Fund | | \$0 | \$1,803,737 | \$1,803,736 | \$1,803,737 | \$1,803,737 | | |
| Transcap Transfers | | \$0 | \$146,248 | \$146,249 | \$146,249 | \$146,249 | | |
| Total Other Fund Gasoline Tax Distributions | | \$0 | \$50,015 | \$50,015 | \$50,014 | \$50,014 | | |
| Total Net Motor Fuel Tax Revenue to All Funds | | \$0 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | | |