

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

December 2020



Michael Allen, Chair
Associate Commissioner for Tax Policy

James Breece
University of Maine System

Marc Cyr, Principal Analyst
Office of Fiscal & Program Review

Beth Ashcroft
State Budget Officer

Christopher Nolan, Director
Office of Fiscal & Program Review

Amanda Rector
State Economist



STATE OF MAINE REVENUE FORECASTING COMMITTEE

Members:

Michael Allen, Chair, Associate Commissioner of Tax Policy
Beth Ashcroft, State Budget Officer
James Breece, University of Maine System
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review
Christopher Nolan, Director, Office of Fiscal and Program Review
Amanda Rector, State Economist

November 25, 2020

TO: Governor Janet T. Mills
Members, 129th Legislature
Members, 130th Legislature

FROM: Michael Allen, Chair
Revenue Forecasting Committee

RE: **Revenue Forecast Committee' December 1, 2020 Report**

The Revenue Forecasting Committee (RFC) has concluded its statutorily required December 1 update of its most recent revenue forecast (August 1, 2020) in order to incorporate the new economic forecast released by the Consensus Economic Forecasting Commission (CEFC) on November 1, 2020 and to provide you with a forecast that reflects revenue performance through the first four months of FY21. Tables showing the changes made to all the funds forecasted by the committee and a detailed presentation that includes the key assumptions made in developing the forecast have been posted to the RFC's web page and are available [here](#). A more complete report will be added to the web page later next week.

General Fund Summary

	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$4,070,279,515	\$4,174,531,432	\$4,317,597,709		
Annual % Growth	2.5%	2.6%	3.4%		
Net Increase (Decrease)	(\$527,809,542)	(\$433,731,150)	(\$449,465,768)		
August 2020 Forecast	\$3,542,469,974	\$3,740,800,282	\$3,868,131,941		
Annual % Growth	-10.8%	5.6%	3.4%		
Net Increase (Decrease)	\$272,806,942	\$231,967,435	\$255,473,700		
December 2020 Forecast	\$3,815,276,916	\$3,972,767,717	\$4,123,605,641	\$4,276,170,128	\$4,431,148,462
Annual % Growth	-3.9%	4.1%	3.8%	3.7%	3.6%

In its December 2020 update, the RFC has revised General Fund (GF) revenue estimates upward by \$272.8 million for FY21 and by \$487.4 million for the FY22/23 biennium. The forecasted rate of year-over-year growth for General Fund revenue in FY21 is now -3.9%, followed by growth of 4.1% in FY22 and 3.8% for FY23. Relative to the RFC's pre-pandemic March 1, 2020 forecast GF revenues are now projected to be \$255 million lower in FY21 and \$395.8 million lower in the FY22-23 biennium. In addition, Highway Fund (HWF) revenues are being increased by \$11.4 million in FY21 and \$9.1 million in the FY22/23

biennium. Relative to the RFC's pre-pandemic March 1, 2020 forecast HWF revenues are now projected to be \$19.3 million lower in FY21 and \$21.4 million lower in the FY22-23 biennium. Also, the December revenue forecast includes the first official estimates of FY24-25 biennial revenues for each of the funds included in the RFC report.

The CEFC convened on October 23, 2020 to review and revise its July 1, 2020 off-cycle economic forecast. The CEFC noted that record-setting job losses in March and April were followed by sharp but incomplete gains through the summer. The new economic forecast assumes total nonfarm employment will decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. The forecast anticipates employment will decline from around 636,000 in 2019 to a trough of around 585,200 in 2020, recovering to about 622,600 in 2025. This is a slight improvement over the July 1 forecast, which saw a peak of 620,700 in 2023 that remained flat through 2025, reflecting upside risks to the labor market recovery as a result of structural changes.

Total personal income was revised up in all years, notably to 5.3% in 2020 compared to 3.9% in the prior forecast. These revisions were driven by data showing a stronger rebound of middle- and high-income jobs. Changes to estimates of non-payroll sources of income resulted in additional upward revisions in 2021 to 2025.

Overall, the CEFC agreed with their original assessment of the economic and public health conditions made during the summer. Since the last forecast, the CEFC identified higher uncertainty regarding the timing of further federal stimulus and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. The Commission reiterated that current conditions are unprecedented, highly uncertain, and changing rapidly. Additionally, the CEFC noted their concern that the exacerbation of inequality as different groups experience uneven paces of economic recovery will hold back the overall recovery of the state and place additional demands on state educational and social service programs while threatening to reduce the tax revenues that fund them.

Almost 90% (\$243.9 million) of the RFC's \$272.8 million reprojection in FY21 is from sales and use and individual income taxes, and 88% of the FY22 and FY23 net increases are attributable to these two revenue lines. In both cases, stimulus from the federal government and the Federal Reserve System has helped to moderate the impact on State revenues of the historic COVID-19 recession during the final quarter of FY20 and the first five months of FY21. While the CEFC now assumes that Congress will provide an additional stimulus in the first quarter of CY21, the severity of the recession leads to smaller, but still significant ongoing reductions in the State's two largest sources of GF revenue relative to the RFC's pre-pandemic March forecast.

The \$136.5 million upward adjustment in FY21 to the sales and use tax forecast reflects a positive variance of \$53.5 million through October and preliminary November receipts that point to another monthly variance of \$20 million or more. The two primary areas fueling the revenue surplus are lodging and automobile sales. Lodging receipts through October exceed budget by \$14.4 million and are now expected to be approximately \$22 million higher for the fiscal year than projected in August. While lodging sales were down 28.6 percent year-over-year (YOY) during the important July-September quarter, the August revenue forecast assumed a 50 percent YOY decline during the summer tourism season. After declining over 15 percent YOY between March and June, sales and use tax receipts related to automobile sales have rebounded, increasing by 17 percent YOY during the three-month period ending in September. Actual revenue performance through October and a less pessimistic forecast from the CEFC of CY20 new automobile registrations results in a FY21 increase of \$42 million in sales and use tax from automobile sales. The RFC has tried to capture the expected decline in taxable services during the coming winter months as the rising rate of rate of COVID-19 impacts consumer purchases of in-person services.

Changes to the individual income tax are primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The November CEFC forecast assumes that wages

and salaries combined with taxable enhanced unemployment insurance (UI) benefits that were part of the CARES Act, will more than offset the reduction in wages and salaries during CY20 relative to their February economic forecast. After CY20 the CEFC assumes that UI benefits will fall back to normal levels and growth as unemployment declines, but that wage and salary growth will be stronger than their previous forecast. Wages and salaries represent a significant portion of taxable income and therefore any increase in their forecasted level leads to higher individual income tax liability. Other key factors impacting the individual income tax forecast are: (1) a smaller decrease in capital gains realizations than the August forecast, (2) slightly stronger growth in business income and (3) a reduction in IRA income in tax year 2020 due to federal tax law changes.

In the conclusion to our August 1st report we stated that “there’s a high probability that significant changes, positive or negative, may be take place in the next forecasting exercise.” While this forecast includes significant positive reprojections for the GF, the uncertainties of the pandemic, the effectiveness and availability of potential vaccines, and additional fiscal stimulus will all influence the accuracy of this forecast as well. The RFC is committed to closely monitoring incoming economic and revenue data, and keeping the Governor and Legislature apprised of any variances that appear to be developing prior to the next economic and revenue forecasting meetings. To that end, the RFC will be reaching out to our CEFC colleagues to have an informal joint meeting in mid-February to discuss how the two recent forecasts are unfolding. By mid-February revenue data on holiday shopping sales and the final tax year 2020 estimated payments for individuals and corporations will be available, providing key information that will help inform policymakers as they develop a FY22-23 biennial budget.

cc: Members, Revenue Forecasting Committee
Members, Consensus Economic Forecasting Commission
Jeremy Kennedy, Chief of Staff, Governor’s Office
Kirsten Figueroa, Commissioner, DAFS
Clerk of the House
Secretary of the Senate
Suzanne Gresser, Executive Director, Legislative Council
Legislative Staff Office Directors

Report of the Maine State Revenue Forecasting Committee December 2020 Forecast

TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. ECONOMIC FORECAST.....	1
III. SUMMARY OF REVENUE FORECAST	2
General Fund Summary.....	2
Highway Fund Summary	4
Fund for a Healthy Maine Summary	5
Medicaid/MaineCare Dedicated Revenue Taxes Summary	5
IV. CONCLUSION	5

APPENDICES

- A. General Fund Summary Table**
- B. Highway Fund Summary Table**
- C. Fund for a Healthy Maine Summary Table**
- D. Medicaid/MaineCare Dedicated Revenue Taxes Summary Table**
- E. Consensus Economic Forecasting Commission Report**
- F. Maine Revenue Services Recommendations and other Background Materials**
- G. Other Background Materials**

Introduction

The Revenue Forecasting Committee (RFC) met on November 23, 2020 to review and update its off-cycle August 1, 2020 revenue forecast, to assess the ongoing impact of the COVID-19 pandemic on State revenues and to incorporate the changes made by the Consensus Economic Forecasting Commission in its November 1, 2020 report. The RFC revised its revenue projections through the fiscal year ending June 30, 2023 and extended the forecast period through the fiscal year ending June 30, 2025 for the General Fund, Highway Fund, Fund for a Healthy Maine and Medicaid/MaineCare Dedicated Revenue Taxes.

Economic Forecast

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 23, 2020, to review and revise its off-cycle July 1, 2020 forecast through 2025.

Overall, the CEFC maintained its original assessment of the economic and public health conditions made during the summer. Since the last forecast, the CEFC identified higher uncertainty regarding the timing of further federal stimulus and remained optimistic about Maine's opportunities to see increased immigration in the upcoming years. The Commission reiterated that current conditions are unprecedented, highly uncertain, and changing rapidly. Additionally, the CEFC noted their concern that the exacerbation of inequality as different groups experience uneven paces of economic recovery will hold back the overall recovery of the state and place additional demands on state educational and social service programs while threatening to reduce the tax revenues that fund them.

Record-setting job losses in March and April were followed by sharp but incomplete gains through the summer. Total nonfarm employment is projected to decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. The forecast anticipates employment will decline from around 636,000 in 2019 to a trough of around 585,200 in 2020, recovering to about 622,600 in 2025. This is a slight improvement over the previous forecast, which saw a peak of 620,700 in 2023 that remained flat through 2025, reflecting upside risks to the labor market recovery as a result of structural changes.

Total personal income was revised up in all years, notably to 5.3% in 2020 compared to 3.9% in the prior forecast. These revisions are driven by data showing a stronger rebound of middle- and high-income jobs. Changes to estimates of non-payroll sources of income resulted in additional upward revisions in 2021 to 2025.

Most components of personal income saw only minor upward revisions, while some others were left altogether unrevised. Growth in wages and salaries, the largest component of personal income, was revised upward to -1.5%, a 3.5 percentage point increase from July. The forecasts for 2021-2025 were each subsequently revised up by one point, to 3.0% in 2021 and 4.0% in 2022-2025. The forecasts for both supplements to wages and salaries and nonfarm proprietors' income were left entirely unchanged from July. Dividends, interest, and rent was revised for 2020 and 2021 to -1.0% and 0.1%, respectively, compared to 0.1% and -1.0%, respectively, in the July forecast while 2022-2025 were left unchanged. Personal current transfer receipts were left unchanged in all years.

The forecast for inflation (measured by the Consumer Price Index, or CPI) was revised up in all years through 2025, reflecting the Federal Reserve Bank's aim to keep inflation moderately higher in the future

to compensate for lower inflation in previous years. The forecast for 2020 was revised up from 0.9% to 1.3% due to prolonged weak demand and low oil and commodity prices. Meanwhile, future inflation projections are 2.2% in 2021 and 2022 and 2.1% in 2023-2025. Additionally, the forecast for corporate profits was revised up substantially, from a decline of 30.0% for 2020 in the July forecast to growth of 0.6% in this forecast. Growth rates for 2021-2025 were left unchanged.

A copy of the November 1, 2020 report of the CEFC and other economic information providing the basis for this revenue forecast is included in Appendix E.

Summary of Revenue Forecast

The economic variables in the CEFC forecast play a prominent role in the revenue forecast. Maine Revenue Services' Office of Tax Policy (MRS/OTP) tax models use the CEFC economic variables to help project revenue from the major taxes. Data related to non-tax revenue lines were provided by a number of different state agencies and reviewed by staff in the Office of Fiscal and Program Review and the Bureau of the Budget to come up with consensus recommendations. The RFC reviewed MRS/OTP and other staff recommendations at its meeting on November 23, 2020 and agreed to those recommendations. The following tables and narratives highlight the final changes to each of the major funds and revenue sources accepted by the RFC as part of its December 2020 update to the revenue forecast. More detail on each of the funds and revenue sources is provided in the various appendices.

General Fund Summary

	FY20 Actual	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$3,969,343,702	\$4,070,279,515	\$4,174,531,432	\$4,317,597,709		
Annual % Growth	3.1%	2.5%	2.6%	3.4%		
Net Increase (Decrease)		(\$527,809,542)	(\$433,731,150)	(\$449,465,768)		
August 2020 Forecast	\$3,969,343,702	\$3,542,469,974	\$3,740,800,282	\$3,868,131,941		
Annual % Growth	3.1%	-10.8%	5.6%	3.4%		
Net Increase (Decrease)		\$272,806,942	\$231,967,435	\$255,473,700		
December 2020 Forecast	\$3,969,343,702	\$3,815,276,916	\$3,972,767,717	\$4,123,605,641	\$4,276,170,128	\$4,431,148,462
Annual % Growth	3.1%	-3.9%	4.1%	3.8%	3.7%	3.6%

General Fund revenue estimates are revised upward by \$272.8 million for FY21 and by \$487.4 million for the 2022-2023 biennium. The forecasted rate of year-over-year growth for General Fund revenue in FY21 is now -3.9%, followed by growth of 4.1% in FY22 and 3.8% for FY23. Relative to the RFC's pre-pandemic March 1, 2020 forecast, General Fund revenues are now projected to be \$255.0 million lower in FY21 and \$395.8 million lower for the 2022-2023 biennium.

Almost 90% (\$243.9 million) of the RFC's \$272.8 million reprojection in FY21 is from sales and use and individual income taxes, and 88% of the FY22 and FY23 net increases are attributable to these two revenue lines. In both cases, stimulus from the federal government and the Federal Reserve System has helped to moderate the impact on State revenues of the historic COVID-19 recession during the final quarter of FY20 and the first five months of FY21. While the CEFC now assumes that Congress will provide an additional stimulus in the first quarter of CY21, the severity of the recession leads to smaller, but still significant ongoing reductions in the State's two largest sources of GF revenue relative to the RFC's pre-pandemic March forecast.

The \$136.5 million upward adjustment in FY21 to the sales and use tax forecast reflects a positive variance of \$53.5 million through October and preliminary November receipts that point to another monthly variance of \$20 million or more. The two primary areas fueling the revenue surplus are lodging and automobile sales.

Lodging receipts through October exceed budget by \$14.4 million and are now expected to be approximately \$22 million higher for the fiscal year than projected in August. While lodging sales were down 28.6 percent year-over-year (YOY) during the important July-September quarter, the August revenue forecast assumed a 50 percent YOY decline during the summer tourism season. After declining over 15 percent YOY between March and June, sales and use tax receipts related to automobile sales have rebounded, increasing by 17 percent YOY during the three-month period ending in September. Actual revenue performance through October and a less pessimistic forecast from the CEFC of CY20 new automobile registrations results in a FY21 increase of \$42 million in sales and use tax from automobile sales. The RFC has tried to capture the expected decline in taxable services during the coming winter months as the rising rate of rate of COVID-19 impacts consumer purchases of in-person services.

Changes to the individual income tax are primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The November CEFC forecast assumes that wages and salaries combined with taxable enhanced unemployment insurance (UI) benefits that were part of the CARES Act, will more than offset the reduction in wages and salaries during CY20 relative to their February economic forecast. After CY20 the CEFC assumes that UI benefits will fall back to normal levels and growth as unemployment declines, but that wage and salary growth will be stronger than their previous forecast. Wages and salaries represent a significant portion of taxable income and therefore any increase in their forecasted level leads to higher individual income tax liability. Other key factors impacting the individual income tax forecast are: (1) a smaller decrease in capital gains realizations than the August forecast, (2) slightly stronger growth in business income and (3) a reduction in IRA income in tax year 2020 due to federal tax law changes.

Other notable adjustments to General Fund revenue lines include:

- **Service Provider Tax.** The forecast assumes a negative adjustment to service provider tax revenue of -\$0.9 million in FY21, -\$1.1 million in FY22 and -\$1.2 million in FY23.
- **Corporate Tax.** The December 2020 forecast includes a positive adjustment to corporate revenue of \$26.0 million in FY21, \$36.5 million in FY22 and \$37 million in FY23. This change is the result of a much more optimistic forecast of before-tax corporate profits in CY20.
- **Cigarette Tax and Other Tobacco Taxes.** The forecast makes a relatively modest adjustment to FY21 cigarette and other tobacco taxes revenue but increases the FY22 forecast by \$2.1 million and increases FY23 by \$2.4 million.
- **Estate Tax.** The forecast for estate taxes assumes a \$6.0 million increase for FY21 based on collections to date and more modest increases of \$0.5 million for FY22 and \$1.3 million for FY23.
- **Insurance Companies Tax.** The forecast assumes an increase of \$2.1 million per year for FY21, FY22 and FY23. This change is primarily based on recent tax receipts.
- **Marijuana Sales Tax.** The forecast assumes gross adult use marijuana sales tax revenue of \$6.0 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are reflected in "Other Revenue" and are estimated to be \$1.3 million in FY21; \$3.0 million in FY 22; \$4.1 million in FY23; \$5.0 million in FY24 and \$6.2 million in FY25. Note, these adult use marijuana estimates do not include the estimated \$16.5 million per year in GF revenue from the sales tax on medical marijuana sales.
- **Marijuana Excise Tax.** This forecast assumes gross excise tax revenue of \$6.7 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25.

These estimates are gross amounts before transfers to the Adult Use Marijuana Public Health and Safety Fund.

- **Income from Investments** – Income from investments are forecast to increase by \$1.6 million in FY21, \$0.7 million in FY22 and \$0.3 in FY23 as a result of assumed increases in fund balances.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is increased by \$5.2 million in FY21, \$4.2 million in FY22 and \$3.1 million in FY23. The forecast is based on the recent increase in residential home sales because of the pandemic and a more optimistic forecast from the CEFC going forward.
- **Other Taxes and Fees - Milk Handling Fee/Transfer to Maine Milk Pool.** The forecast for revenue from the milk handling fee is adjusted upward by \$0.2 million for FY21 and downward by -\$0.8 million for FY22 and by -\$1.0 million FY23, assuming declining milk production for FY22 and FY23. The forecast for transfers to the milk pool is adjusted upward (negative impact on the General Fund) by -\$1.4 million for FY21 but downward (positive impact on the General Fund) by 0.7 million for FY22 and \$1.3 million for FY23. This forecast reflects the limited long term forecasting available and the ongoing volatility in dairy markets due to the COVID-19 pandemic.
- **Other Taxes and Fees – Casino Revenue.** After being closed for the final quarter of FY20 due to the COVID-19 emergency, both the Oxford Casino and Hollywood Casino reopened in early FY21 under limited operational plans. Due to better than anticipated activity and an increase in the number of machines and tables expected to be placed in play in both facilities, the forecast for General Fund revenue from casinos is adjusted upwards by \$3.0 million in FY 21, \$1.3 million in FY22 and \$0.6 million in FY 23.

Highway Fund Summary

	FY20 Actual	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$327,176,570	\$344,014,100	\$346,566,974	\$348,999,002		
Annual % Growth	-5.6%	5.1%	0.7%	0.7%		
Net Increase (Decrease)	\$0	(\$30,776,958)	(\$15,252,441)	(\$15,262,000)		
August 2020 Forecast	\$327,176,570	\$313,237,142	\$331,314,533	\$333,737,002		
Annual % Growth	-5.6%	-4.3%	5.8%	0.7%		
Net Increase (Decrease)	\$0	\$11,433,265	\$3,289,572	\$5,818,600		
December 2020 Forecast	\$327,176,570	\$324,670,407	\$334,604,105	\$339,555,602	\$341,980,631	\$344,441,674
Annual % Growth	-5.6%	-0.8%	3.1%	1.5%	0.7%	0.7%

Highway Fund revenue estimates are revised upward by \$11.4 million for FY21 and by \$9.1 million for the 2022-2023 biennium. Relative to the RFC's pre-pandemic March 2020 forecast, Highway Fund revenues are now projected to be \$19.3 million lower in FY21 and \$21.4 million lower for the 2022-2023 biennium. The upward adjustments in the December 2020 forecast are largely the result of positive adjustments in gas tax revenue from August 2020 levels of \$8.1 million in FY21 and \$10.4 million for the 2022-2023 biennium. These December 2020 adjustments in revenue moderate the negative adjustments made in the August 2020 gas tax forecast of -\$28.6 million for FY21 and -\$25.0 million for the 2022-2023 biennium. The December 2020 Highway Fund forecast also assumes a one-time FY21 increase of \$2.0 million in motor vehicle registrations and fees.

Fund for a Healthy Maine Summary

	FY20 Actual	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$49,543,354	\$39,594,439	\$39,587,533	\$44,288,952		
Annual % Growth	-39.7%	-20.1%	0.0%	11.9%		
Net Increase (Decrease)	\$0	\$4,032,665	\$2,681,291	(\$3,315,628)		
August 2020 Forecast	\$49,543,354	\$43,627,104	\$42,268,823	\$40,973,323		
Annual % Growth	-39.7%	-11.9%	-3.1%	-3.1%		
Net Increase (Decrease)	\$0	\$1,124,815	\$235,817	(\$63,459)		
December 2020 Forecast	\$49,543,354	\$44,751,919	\$42,504,640	\$40,909,864	\$41,004,823	\$41,017,289
Annual % Growth	-39.7%	-9.7%	-5.0%	-3.8%	0.2%	0.0%

Fund for a Healthy Maine (FHM) revenue estimates are revised upward by \$1.1 million for FY21 and by \$0.2 million for the 2022-2023 biennium. The revised forecast primarily reflects an increase in the estimate for FHM revenue from the Hollywood Casino Bangor consistent with the larger changes in the forecasts for this revenue source. The FHM forecast also assumes relatively minor negative adjustments in income from investments. There were no changes made to the forecast for Tobacco Settlement Payments in the December 2020 forecast.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY20 Actual	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$214,138,364	\$215,621,936	\$215,621,936	\$215,621,936		
Annual % Growth	12.7%	0.7%	0.0%	0.0%		
Net Increase (Decrease)	\$0	(\$1,512,840)	(\$1,512,840)	(\$1,512,840)		
August 2020 Forecast	\$214,138,364	\$214,109,096	\$214,109,096	\$214,109,096		
Annual % Growth	12.7%	0.0%	0.0%	0.0%		
Net Increase (Decrease)	\$0	\$2,390,395	\$0	\$0		
December 2020 Forecast	\$214,138,364	\$216,499,491	\$214,109,096	\$214,109,096	\$214,109,096	\$214,109,096
Annual % Growth	12.7%	1.1%	-1.1%	0.0%	0.0%	0.0%

Medicaid/MaineCare Dedicated revenue estimates are revised upward by \$2.4 million for FY21 but are unchanged for the 2022-2023 biennium. The positive adjustments for FY21 assume an increase in dedicated revenue from the nursing facility and the residential treatment facility taxes offset by a reduction in assumed dedicated revenue from the service provider tax for FY21.

Conclusion

The conclusion to the RFC's August 1st report stated, "there's a high probability that significant changes, positive or negative, may take place in the next forecasting exercise." While this forecast includes significant positive reprojections for the General Fund, the uncertainties of the pandemic, the effectiveness and availability of potential vaccines, and additional fiscal stimulus will all influence the accuracy of this forecast as well. The RFC is committed to closely monitoring incoming economic and revenue data, and keeping the Governor and Legislature apprised of any variances that appear to be developing prior to the next economic and revenue forecasting meetings. To that end, the RFC will be reaching out to our CEFC colleagues to have an informal joint meeting in mid-February to discuss how the two recent forecasts are unfolding. By mid-February revenue data on holiday shopping sales and the final tax year 2020 estimated payments for individuals and corporations will be available, providing key information that will help inform policymakers as they develop a 2022-2023 biennial budget.



Appendix A

General Fund Summary Table

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY14 Actual	FY15 Actual	% Chg.	FY16 Actual	% Chg.	FY17 Actual	% Chg.	FY18 Actual	% Chg.	FY19 Actual	% Chg.
Sales and Use Tax	1,106,158,236	1,195,031,298	8.0%	1,274,144,957	6.6%	1,336,944,791	4.9%	1,423,551,101	6.5%	1,503,771,784	5.6%
Service Provider Tax	50,173,388	48,554,451	-3.2%	44,916,959	-7.5%	61,211,051	36.3%	59,601,858	-2.6%	59,012,956	-1.0%
Individual Income Tax	1,406,117,705	1,521,778,409	8.2%	1,542,687,615	1.4%	1,523,852,981	-1.2%	1,595,191,847	4.7%	1,701,005,768	6.6%
Corporate Income Tax	182,928,181	168,965,820	-7.6%	137,492,442	-18.6%	175,239,114	27.5%	185,737,065	6.0%	252,866,884	36.1%
Cigarette and Tobacco Tax	136,159,833	136,913,357	0.6%	141,464,095	3.3%	144,243,207	2.0%	132,949,700	-7.8%	125,977,694	-5.2%
Insurance Companies Tax	83,203,879	81,459,794	-2.1%	81,250,784	-0.3%	76,553,592	-5.8%	73,468,185	-4.0%	77,277,183	5.2%
Estate Tax	23,961,911	31,196,286	30.2%	27,198,153	-12.8%	11,717,686	-56.9%	13,801,409	17.8%	15,851,350	14.9%
Other Taxes and Fees *	130,140,462	139,437,659	7.1%	143,422,744	2.9%	148,183,240	3.3%	145,822,739	-1.6%	150,110,769	2.9%
Fines, Forfeits and Penalties	23,473,506	22,608,527	-3.7%	20,610,571	-8.8%	19,589,175	-5.0%	18,402,955	-6.1%	15,485,118	-15.9%
Income from Investments	301,144	602,838	100.2%	1,483,723	146.1%	3,592,268	142.1%	6,601,717	83.8%	12,474,570	89.0%
Transfer from Lottery Commission	51,845,477	54,002,444	4.2%	56,972,851	5.5%	58,219,690	2.2%	62,307,123	7.0%	62,675,109	0.6%
Transfers to Tax Relief Programs *	(65,357,986)	(59,532,694)	8.9%	(64,744,050)	-8.8%	(63,961,530)	1.2%	(65,413,185)	-2.3%	(68,087,807)	-4.1%
Transfers to Municipal Rev. Sharing	(66,063,110)	(63,600,996)	3.7%	(67,355,586)	-5.9%	(65,228,793)	3.2%	(69,338,529)	-6.3%	(74,095,532)	-6.9%
Other Revenue *	50,454,306	51,909,354	2.9%	26,645,874	-48.7%	24,747,389	-7.1%	4,991,864	-79.8%	14,185,246	184.2%
Total - General Fund Revenue	3,113,496,933	3,329,326,547	6.9%	3,366,191,131	1.1%	3,454,903,862	2.6%	3,587,675,847	3.8%	3,848,511,092	7.3%

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY20 Actual	% Chg.	FY20 Budget	FY20 Variance	% Var.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Sales and Use Tax ¹	1,555,713,076	3.5%	1,617,545,344	(61,832,268)	-3.8%	1,457,071,678	-6.3%	136,500,000	1,593,571,678	2.4%
Service Provider Tax	58,012,511	-1.7%	57,024,000	988,511	1.7%	57,454,000	-1.0%	(892,000)	56,562,000	-2.5%
Individual Income Tax	1,835,972,805	7.9%	1,810,313,500	25,659,305	1.4%	1,588,271,250	-13.5%	107,390,000	1,695,661,250	-7.6%
Corporate Income Tax	216,131,489	-14.5%	217,280,000	(1,148,512)	-0.5%	176,855,000	-18.2%	26,000,000	202,855,000	-6.1%
Cigarette and Tobacco Tax ²	137,331,317	9.0%	141,621,642	(4,290,325)	-3.0%	144,451,400	5.2%	(50,000)	144,401,400	5.1%
Insurance Companies Tax	82,145,116	6.3%	75,950,000	6,195,116	8.2%	82,300,000	0.2%	2,100,000	84,400,000	2.7%
Estate Tax	21,079,344	33.0%	20,450,000	629,344	3.1%	12,050,000	-42.8%	6,000,000	18,050,000	-14.4%
Other Taxes and Fees *	139,144,510	-7.3%	138,146,069	998,441	0.7%	134,284,714	-3.5%	9,742,931	144,027,645	3.5%
Fines, Forfeits and Penalties	9,986,146	-35.5%	12,319,191	(2,333,045)	-18.9%	11,253,699	12.7%	(1,865,953)	9,387,746	-6.0%
Income from Investments	12,121,418	-2.8%	12,304,505	(183,087)	-1.5%	3,824,776	-68.4%	1,558,655	5,383,431	-55.6%
Transfer from Lottery Commission	64,589,742	3.1%	57,000,000	7,589,742	13.3%	60,000,000	-7.1%	0	60,000,000	-7.1%
Transfers to Tax Relief Programs *	(74,637,969)	-9.6%	(76,815,000)	2,177,031	2.8%	(75,567,000)	-1.2%	(100,000)	(75,667,000)	-1.4%
Transfers to Municipal Rev. Sharing	(113,613,360)	-53.3%	(111,887,992)	(1,725,368)	-1.5%	(127,752,420)	-12.4%	(9,820,988)	(137,573,408)	-21.1%
Other Revenue *	25,367,559	78.8%	26,855,866	(1,488,307)	-5.5%	17,972,876	-29.2%	(3,755,703)	14,217,173	-44.0%
Total - General Fund Revenue	3,969,343,702	3.1%	3,998,107,125	(28,763,423)	-0.7%	3,542,469,974	-10.8%	272,806,942	3,815,276,916	-3.9%

* Additional detail provided on pages 4, 5 and 6

1/ Includes estimated revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$6.0 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are reflected in "Other Revenue" above and are estimated to be \$1.3 million in FY21; \$3.0 million in FY 22; \$4.1 million in FY23; \$5.0 million in FY24 and \$6.2 million in FY25.

2/ Includes estimated revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$6.7 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25. These estimates are gross amounts before transfers to the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are reflected in "Other Revenue" above and are estimated to be \$1.3 million in FY21; \$3.0 million in FY 22; \$4.1 million in FY23; \$5.0 million in FY24 and \$6.2 million in FY25.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.	FY24 Forecast	% Chg.	FY25 Forecast	% Chg.
Sales and Use Tax ¹	1,620,542,422	11.2%	92,100,000	1,712,642,422	7.5%	1,711,923,237	5.6%	80,000,000	1,791,923,237	4.6%	1,858,700,000	3.7%	1,914,800,000	3.0%
Service Provider Tax	57,120,000	-0.6%	(1,123,000)	55,997,000	-1.0%	56,630,000	-0.9%	(1,193,000)	55,437,000	-1.0%	54,882,000	-1.0%	54,333,000	-1.0%
Individual Income Tax	1,642,910,000	3.4%	110,910,000	1,753,820,000	3.4%	1,689,054,375	2.8%	144,650,000	1,833,704,375	4.6%	1,928,100,000	5.1%	2,030,630,000	5.3%
Corporate Income Tax	183,908,737	4.0%	36,500,000	220,408,737	8.7%	191,388,199	4.1%	37,000,000	228,388,199	3.6%	234,250,000	2.6%	240,500,000	2.7%
Cigarette and Tobacco Tax ²	146,916,771	1.7%	2,055,000	148,971,771	3.2%	149,154,736	1.5%	2,405,000	151,559,736	1.7%	153,104,000	1.0%	156,193,000	2.0%
Insurance Companies Tax	86,150,000	4.7%	2,100,000	88,250,000	4.6%	86,600,000	0.5%	2,100,000	88,700,000	0.5%	86,050,000	-3.0%	86,900,000	1.0%
Estate Tax	14,250,000	18.3%	500,000	14,750,000	-18.3%	15,450,000	8.4%	1,300,000	16,750,000	13.6%	17,900,000	6.9%	18,500,000	3.4%
Other Taxes and Fees *	138,451,100	3.1%	5,694,460	144,145,560	0.1%	143,061,255	3.3%	3,892,009	146,953,264	1.9%	148,223,820	0.9%	149,294,639	0.7%
Fines, Forfeits and Penalties	12,449,166	10.6%	(19,000)	12,430,166	32.4%	12,449,166	0.0%	(15,000)	12,434,166	0.0%	12,438,166	0.0%	12,442,366	0.0%
Income from Investments	2,611,950	-31.7%	714,133	3,326,083	-38.2%	630,718	-75.9%	319,280	949,998	-71.4%	1,192,397	25.5%	1,843,649	54.6%
Transfer from Lottery Commission	60,000,000	0.0%	0	60,000,000	0.0%	60,000,000	0.0%	0	60,000,000	0.0%	60,000,000	0.0%	60,000,000	0.0%
Transfers to Tax Relief Programs *	(77,170,000)	-2.1%	(80,000)	(77,250,000)	-2.1%	(80,710,000)	-4.6%	(90,000)	(80,800,000)	-4.6%	(84,200,000)	-4.2%	(87,800,000)	-4.3%
Transfers to Municipal Rev. Sharing	(174,671,638)	-36.7%	(15,749,745)	(190,421,383)	-38.4%	(185,845,203)	-6.4%	(12,855,078)	(198,700,281)	-4.3%	(207,028,890)	-4.2%	(215,249,715)	-4.0%
Other Revenue *	27,331,774	52.1%	(1,634,413)	25,697,361	80.7%	18,345,458	-32.9%	(2,039,511)	16,305,947	-36.5%	12,558,635	-23.0%	8,761,523	-30.2%
Total - General Fund Revenue	3,740,800,282	5.6%	231,967,435	3,972,767,717	4.1%	3,868,131,941	3.4%	255,473,700	4,123,605,641	3.8%	4,276,170,128	3.7%	4,431,148,462	3.6%
Change in Biennial Totals								487,441,135						

* Additional detail provided on pages 4, 5 and 6

1/ Includes estimated revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$6.0 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are reflected in "Other Revenue" above and are estimated to be \$1.3 million in FY21; \$3.0 million in FY 22; \$4.1 million in FY23; \$5.0 million in FY24 and \$6.2 million in FY25.

2/ Includes estimated revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$6.7 million in FY21; \$13.85 million in FY22; \$19.0 million in FY23; \$23 million in FY24 and \$28.5 million in FY25. These estimates are gross amounts before transfers to the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are reflected in "Other Revenue" above and are estimated to be \$1.3 million in FY21; \$3.0 million in FY 22; \$4.1 million in FY23; \$5.0 million in FY24 and \$6.2 million in FY25.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY14 Actual	FY15 Actual	% Chg.	FY16 Actual	% Chg.	FY17 Actual	% Chg.	FY18 Actual	% Chg.	FY19 Actual	% Chg.
Detail of Other Taxes and Fees:											
- Property Tax - Unorganized Territory	12,448,487	12,452,432	0.0%	12,778,868	2.6%	13,578,696	6.3%	14,188,381	4.5%	13,334,138	-6.0%
- Real Estate Transfer Tax	10,695,215	13,836,648	29.4%	15,394,715	11.3%	17,059,116	10.8%	15,927,432	-6.6%	19,105,924	20.0%
- Liquor Taxes and Fees	21,515,749	22,224,965	3.3%	22,352,169	0.6%	23,249,843	4.0%	23,680,230	1.9%	23,931,346	1.1%
- Corporation Fees & Licenses	9,294,995	9,790,511	5.3%	10,052,935	2.7%	10,540,087	4.8%	11,094,542	5.3%	10,759,676	-3.0%
- Telecommunications Excise Tax	6,842,823	7,591,072	10.9%	6,403,740	-15.6%	6,248,478	-2.4%	6,221,980	-0.4%	6,317,492	1.5%
- Finance Industry Fees	27,199,530	28,816,550	5.9%	29,463,631	2.2%	30,019,796	1.9%	29,201,565	-2.7%	29,082,500	-0.4%
- Milk Handling Fee	1,098,671	2,206,701	100.9%	5,132,699	132.6%	4,613,496	-10.1%	4,916,070	6.6%	4,848,648	-1.4%
- Casino and Racino Revenue	8,671,537	8,642,121	-0.3%	8,753,125	1.3%	8,624,011	-1.5%	8,367,971	-3.0%	8,468,389	1.2%
- Boat, ATV and Snowmobile Fees	4,304,791	4,569,660	6.2%	4,291,061	-6.1%	4,712,468	9.8%	4,482,839	-4.9%	4,700,071	4.8%
- Hunting and Fishing License Fees	15,987,534	16,490,686	3.1%	16,432,790	-0.4%	16,268,782	-1.0%	16,164,837	-0.6%	16,282,770	0.7%
- Other Miscellaneous Taxes and Fees	12,081,131	12,816,312	6.1%	12,367,010	-3.5%	13,268,468	7.3%	11,576,892	-12.7%	13,279,816	14.7%
Subtotal - Other Taxes and Fees	130,140,462	139,437,659	7.1%	143,422,744	2.9%	148,183,240	3.3%	145,822,739	-1.6%	150,110,769	2.9%
Detail of Other Revenue:											
- Liquor Sales and Operations	10,012,142	13,550,394	35.3%	9,682,240	-28.5%	9,860,579	1.8%	50,272	-99.5%	56,150	11.7%
- Targeted Case Management (HHS)	2,004,558	2,532,874	26.4%	2,246,910	-11.3%	1,820,831	-19.0%	607,782	-66.6%	246,356	-59.5%
- State Cost Allocation Program	18,857,275	22,477,739	19.2%	18,161,858	-19.2%	19,459,021	7.1%	17,229,423	-11.5%	18,291,345	6.2%
- Unclaimed Property Transfer	10,504,312	9,615,011	-8.5%	9,660,866	0.5%	5,767,234	-40.3%	6,565,469	13.8%	9,592,815	46.1%
- Tourism Transfer	(10,381,884)	(11,624,127)	-12.0%	(13,112,062)	-12.8%	(14,590,665)	-11.3%	(16,076,758)	-10.2%	(17,171,837)	-6.8%
- Transfer to Maine Milk Pool	0	(3,931,815)	N/A	(17,025,855)	-333.0%	(15,233,744)	10.5%	(15,857,558)	-4.1%	(15,220,840)	4.0%
- Transfer to Multimodal Transportation F	(6,069,901)	(7,066,534)	-16.4%	(7,308,989)	-3.4%	(7,908,006)	-8.2%	(8,899,944)	-12.5%	(9,439,886)	-6.1%
- Other Miscellaneous Revenue	25,527,805	26,355,813	3.2%	24,340,906	-7.6%	25,572,140	5.1%	21,373,178	-16.4%	27,831,142	30.2%
Subtotal - Other Revenue	50,454,306	51,909,354	2.9%	26,645,874	-48.7%	24,747,389	-7.1%	4,991,864	-79.8%	14,185,246	184.2%
Detail of Transfers to Tax Relief Programs:											
- Maine Resident Property Tax Program	(743,282)	14,964	102.0%	82,425	450.8%	(60,303)	-173.2%	35,130	158.3%	(12,497)	-135.6%
- BETR - Business Equip. Tax Reimb.	(40,374,677)	(33,378,597)	17.3%	(35,078,530)	-5.1%	(31,511,125)	10.2%	(29,863,832)	5.2%	(24,913,358)	16.6%
- BETE - Municipal Bus. Equip. Tax Reir	(24,240,027)	(26,169,061)	-8.0%	(29,747,945)	-13.7%	(32,390,102)	-8.9%	(35,584,483)	-9.9%	(43,161,952)	-21.3%
Subtotal - Tax Relief Transfers	(65,357,986)	(59,532,694)	8.9%	(64,744,050)	-8.8%	(63,961,530)	1.2%	(65,413,185)	-2.3%	(68,087,807)	-4.1%
IF&W Total Revenue **	21,430,499	22,125,659	3.2%	21,685,246	-2.0%	22,015,827	1.5%	21,596,400	-1.9%	21,933,023	1.6%

** 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 - DECEMBER 2020 FORECAST

Source	FY20 Actual	% Chg.	FY20 Budget	FY20 Variance	% Var.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	12,547,461	-5.9%	14,613,169	(2,065,708)	-14.1%	14,713,169	17.3%	0	14,713,169	17.3%
- Real Estate Transfer Tax	16,501,776	-13.6%	13,921,803	2,579,973	18.5%	15,522,964	-5.9%	5,245,000	20,767,964	25.9%
- Liquor Taxes and Fees	20,854,729	-12.9%	22,093,824	(1,239,095)	-5.6%	22,093,824	5.9%	0	22,093,824	5.9%
- Corporation Fees & Licenses	11,777,263	9.5%	10,938,649	838,614	7.7%	9,938,649	-15.6%	200,000	10,138,649	-13.9%
- Telecommunications Excise Tax	6,418,268	1.6%	6,000,000	418,268	7.0%	5,715,000	-11.0%	385,000	6,100,000	-5.0%
- Finance Industry Fees	27,952,210	-3.9%	28,008,450	(56,240)	-0.2%	27,916,990	-0.1%	(1,000,000)	26,916,990	-3.7%
- Milk Handling Fee	1,676,018	-65.4%	1,232,021	443,997	36.0%	3,260,456	94.5%	185,885	3,446,341	105.6%
- Casino and Racino Revenue	6,542,913	-22.7%	8,837,275	(2,294,362)	-26.0%	3,055,726	-53.3%	3,013,224	6,068,950	-7.2%
- Boat, ATV and Snowmobile Fees	4,970,419	5.8%	4,523,561	446,858	9.9%	4,523,561	-9.0%	0	4,523,561	-9.0%
- Hunting and Fishing License Fees	16,514,289	1.4%	15,990,794	523,495	3.3%	15,986,716	-3.2%	0	15,986,716	-3.2%
- Other Miscellaneous Taxes and Fees	13,389,164	0.8%	11,986,523	1,402,641	11.7%	11,557,659	-13.7%	1,713,822	13,271,481	-0.9%
Subtotal - Other Taxes and Fees	139,144,510	-7.3%	138,146,069	998,441	0.7%	134,284,714	-3.5%	9,742,931	144,027,645	3.5%
Detail of Other Revenue:										
- Liquor Sales and Operations	55,400	-1.3%	28,500	26,900	94.4%	28,500	-48.6%	0	28,500	-48.6%
- Targeted Case Management (HHS)	80,953	-67.1%	158,160	(77,207)	-48.8%	158,160	95.4%	0	158,160	95.4%
- State Cost Allocation Program	24,911,989	36.2%	23,109,989	1,802,000	7.8%	25,410,229	2.0%	0	25,410,229	2.0%
- Unclaimed Property Transfer	10,830,298	12.9%	6,186,442	4,643,856	75.1%	6,200,000	-42.8%	0	6,200,000	-42.8%
- Tourism Transfer	(18,150,386)	-5.7%	(18,238,610)	88,224	0.5%	(17,076,345)	5.9%	0	(17,076,345)	5.9%
- Transfer to Maine Milk Pool	(9,921,284)	34.8%	(4,663,695)	(5,257,589)	-112.7%	(10,536,729)	-6.2%	(1,379,654)	(11,916,383)	-20.1%
- Transfer to Multimodal Transportation Fund	(11,138,493)	-18.0%	(9,530,000)	(1,608,493)	-16.9%	(9,911,067)	11.0%	0	(9,911,067)	11.0%
- Other Miscellaneous Revenue	28,699,082	3.1%	29,805,080	(1,105,998)	-3.7%	23,700,128	-17.4%	(2,376,049)	21,324,079	-25.7%
Subtotal - Other Revenue	25,367,559	78.8%	26,855,866	(1,488,307)	-5.5%	17,972,876	-29.2%	(3,755,703)	14,217,173	-44.0%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Program	47,546	480.5%	0	47,546	N/A	0	-100.0%	0	0	-100.0%
- BETR - Business Equip. Tax Reimb.	(25,490,793)	-2.3%	(27,060,000)	1,569,207	5.8%	(21,500,000)	15.7%	(100,000)	(21,600,000)	15.3%
- BETE - Municipal Bus. Equip. Tax Reimb.	(49,194,722)	-14.0%	(49,755,000)	560,278	1.1%	(54,067,000)	-9.9%	0	(54,067,000)	-9.9%
Subtotal - Tax Relief Transfers	(74,637,969)	-9.6%	(76,815,000)	2,177,031	2.8%	(75,567,000)	-1.2%	(100,000)	(75,667,000)	-1.4%
IF&W Total Revenue **	22,314,353	1.7%	21,486,646	827,707	3.9%	21,447,813	-3.9%	(87,150)	21,360,663	-4.3%

** 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 - DECEMBER 2020 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.	FY24 Forecast	% Chg.	FY25 Forecast	% Chg.
Detail of Other Taxes and Fees:														
- Property Tax - Unorganized Territ	14,813,169	0.7%	0	14,813,169	0.7%	14,813,169	0.0%	0	14,813,169	0.0%	14,813,169	0.0%	14,813,169	0.0%
- Real Estate Transfer Tax	17,300,830	11.5%	4,186,000	21,486,830	3.5%	19,297,522	11.5%	3,142,000	22,439,522	4.4%	23,841,000	6.2%	24,868,000	4.3%
- Liquor Taxes and Fees	22,093,824	0.0%	0	22,093,824	0.0%	22,093,824	0.0%	0	22,093,824	0.0%	22,093,824	0.0%	22,093,824	0.0%
- Corporation Fees & Licenses	9,938,649	0.0%	0	9,938,649	-2.0%	9,938,649	0.0%	0	9,938,649	0.0%	9,938,649	0.0%	9,938,649	0.0%
- Telecommunications Excise Tax	5,450,000	-4.6%	550,000	6,000,000	-1.6%	5,200,000	-4.6%	800,000	6,000,000	0.0%	6,000,000	0.0%	6,000,000	0.0%
- Finance Industry Fees	27,916,990	0.0%	(1,000,000)	26,916,990	0.0%	27,916,990	0.0%	(1,000,000)	26,916,990	0.0%	26,916,990	0.0%	26,916,990	0.0%
- Milk Handling Fee	2,862,840	-12.2%	(795,230)	2,067,610	-40.0%	2,862,840	0.0%	(954,276)	1,908,564	-7.7%	1,908,564	0.0%	1,908,564	0.0%
- Casino and Racino Revenue	5,096,880	66.8%	1,348,556	6,445,436	6.2%	7,957,894	56.1%	595,365	8,553,259	32.7%	8,719,518	1.9%	8,760,488	0.5%
- 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%	4,523,561	0.0%	4,523,561	0.0%
- Hunting and Fishing License Fees	15,986,716	0.0%	0	15,986,716	0.0%	15,986,716	0.0%	0	15,986,716	0.0%	15,986,716	0.0%	15,986,716	0.0%
- Other Miscellaneous Taxes and Fe	12,467,641	7.9%	1,405,134	13,872,775	4.5%	12,470,090	0.0%	1,308,920	13,779,010	-0.7%	13,481,829	-2.2%	13,484,678	0.0%
Subtotal - Other Taxes and Fees	138,451,100	3.1%	5,694,460	144,145,560	0.1%	143,061,255	3.3%	3,892,009	146,953,264	1.9%	148,223,820	0.9%	149,294,639	0.7%
Detail of Other Revenue:														
- Liquor Sales and Operations	28,500	0.0%	0	28,500	0.0%	28,500	0.0%	0	28,500	0.0%	28,500	0.0%	28,500	0.0%
- Targeted Case Management (HHS	158,160	0.0%	0	158,160	0.0%	158,160	0.0%	0	158,160	0.0%	158,160	0.0%	158,160	0.0%
- State Cost Allocation Program	25,918,434	2.0%	0	25,918,434	2.0%	26,436,803	2.0%	0	26,436,803	2.0%	26,436,803	0.0%	26,436,803	0.0%
- Unclaimed Property Transfer	6,200,000	0.0%	0	6,200,000	0.0%	6,200,000	0.0%	(1,500,000)	4,700,000	-24.2%	3,200,000	-31.9%	2,000,000	-37.5%
- Tourism Transfer	(12,859,000)	24.7%	(1,605,000)	(14,464,000)	15.3%	(17,158,000)	-33.4%	(1,240,000)	(18,398,000)	-27.2%	(19,235,000)	-4.5%	(20,245,000)	-5.3%
- Transfer to Maine Milk Pool	(9,788,163)	7.1%	714,063	(9,074,100)	23.9%	(9,624,036)	1.7%	1,302,019	(8,322,017)	8.3%	(8,318,309)	0.0%	(8,314,563)	0.0%
- Transfer to Multimodal Transport	(6,447,000)	35.0%	(333,000)	(6,780,000)	31.6%	(10,455,000)	-62.2%	(412,000)	(10,867,000)	-60.3%	(11,390,000)	-4.8%	(11,810,000)	-3.7%
- Other Miscellaneous Revenue	24,120,843	1.8%	(410,476)	23,710,367	11.2%	22,759,031	-5.6%	(189,530)	22,569,501	-4.8%	21,678,481	-3.9%	20,507,623	-5.4%
Subtotal - Other Revenue	27,331,774	52.1%	(1,634,413)	25,697,361	80.7%	18,345,458	-32.9%	(2,039,511)	16,305,947	-36.5%	12,558,635	-23.0%	8,761,523	-30.2%
Detail of Transfers to Tax Relief Programs:														
- Maine Resident Property Tax Pro	0	N/A	0	0	N/A	0	N/A	0	0	N/A	0	N/A	0	N/A
- BETR - Business Equip. Tax Reir	(20,120,000)	6.4%	(80,000)	(20,200,000)	6.5%	(18,810,000)	6.5%	(90,000)	(18,900,000)	6.4%	(17,750,000)	6.1%	(16,700,000)	5.9%
- BETE - Municipal Bus. Equip. Ta	(57,050,000)	-5.5%	0	(57,050,000)	-5.5%	(61,900,000)	-8.5%	0	(61,900,000)	-8.5%	(66,450,000)	-7.4%	(71,100,000)	-7.0%
Subtotal - Tax Relief Transfers	(77,170,000)	-2.1%	(80,000)	(77,250,000)	-2.1%	(80,710,000)	-4.6%	(90,000)	(80,800,000)	-4.6%	(84,200,000)	-4.2%	(87,800,000)	-4.3%
IF&W Total Revenue **	21,472,043	0.1%	5,134	21,477,177	0.5%	21,474,492	0.0%	8,920	21,483,412	0.0%	21,486,231	0.0%	21,489,080	0.0%
** 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.														



Appendix B

Highway Fund Summary Table

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY14 Actual	FY15 Actual	% Chg.	FY16 Actual	% Chg.	FY17 Actual	% Chg.	FY18 Actual	% Chg.	FY19 Actual	% Chg.
Fuel Taxes											
- Gasoline Tax	\$194,291,295	\$196,393,071	1.1%	\$198,030,576	0.8%	\$201,581,952	1.8%	206,410,302	2.4%	205,925,094	-0.2%
- Special Fuel and Road Use Taxes	\$45,696,730	\$46,608,086	2.0%	\$46,070,971	-1.2%	\$50,364,054	9.3%	43,150,896	-14.3%	49,588,218	14.9%
- Transcap Transfers - Fuel Taxes	(\$17,634,644)	(\$17,873,296)	-1.4%	(\$17,967,176)	-0.5%	(\$18,589,483)	-3.5%	(18,398,369)	1.0%	(18,777,306)	-2.1%
- Other Fund Gasoline Tax Distributions	(\$4,858,642)	(\$4,910,656)	-1.1%	(\$4,961,004)	-1.0%	(\$5,065,081)	-2.1%	(5,166,427)	-2.0%	(5,149,578)	0.3%
Subtotal - Fuel Taxes	\$217,494,739	\$220,217,205	1.3%	\$221,173,367	0.4%	\$228,291,442	3.2%	225,996,401	-1.0%	231,586,428	2.5%
Motor Vehicle Registration and Fees											
- Motor Vehicle Registration Fees	\$65,762,247	\$67,581,522	2.8%	\$68,540,478	1.4%	\$68,345,517	-0.3%	68,660,358	0.5%	69,615,829	1.4%
- License Plate Fees	\$3,519,781	\$3,614,320	2.7%	\$3,674,537	1.7%	\$3,709,500	1.0%	3,747,816	1.0%	3,861,249	3.0%
- Long-term Trailer Registration Fees	\$9,924,915	\$11,592,185	16.8%	\$11,571,388	-0.2%	\$11,768,669	1.7%	13,279,792	12.8%	15,134,872	14.0%
- Title Fees	\$13,230,526	\$13,158,253	-0.5%	\$13,964,505	6.1%	\$14,298,502	2.4%	14,526,092	1.6%	15,181,423	4.5%
- Motor Vehicle Operator License Fees	\$7,872,663	\$7,417,137	-5.8%	\$8,703,579	17.3%	\$8,956,575	2.9%	8,752,147	-2.3%	9,521,698	8.8%
- Transcap Transfers - Motor Vehicle Fees	(\$15,494,140)	(\$15,658,915)	-1.1%	(\$15,956,815)	-1.9%	(\$16,101,245)	-0.9%	(16,191,340)	-0.6%	(16,384,440)	-1.2%
Subtotal - Motor Vehicle Reg. & Fees	\$84,815,991	\$87,704,502	3.4%	\$90,497,672	3.2%	\$90,977,518	0.5%	92,774,864	2.0%	96,930,631	4.5%
Motor Vehicle Inspection Fees	\$3,109,288	\$3,295,017	6.0%	\$3,515,288	6.7%	\$3,410,700	-3.0%	3,373,100	-1.1%	3,324,510	-1.4%
Other Highway Fund Taxes and Fees	\$1,307,919	\$1,314,494	0.5%	\$1,660,665	26.3%	\$1,378,535	-17.0%	1,490,993	8.2%	1,508,539	1.2%
Fines, Forfeits and Penalties	\$976,084	\$854,813	-12.4%	\$791,496	-7.4%	\$719,555	-9.1%	724,478	0.7%	610,373	-15.7%
Income from Investments	\$80,299	\$159,116	98.2%	\$255,421	60.5%	\$348,432	36.4%	326,847	-6.2%	893,027	173.2%
Other Highway Fund Revenues	\$9,292,645	\$9,949,439	7.1%	\$9,553,791	-4.0%	\$9,191,942	-3.8%	10,943,111	19.1%	11,640,306	6.4%
Total - Highway Fund Revenue	\$317,076,964	\$323,494,586	2.0%	\$327,447,700	1.2%	\$334,318,123	2.1%	335,629,795	0.4%	346,493,814	3.2%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY20 Actual	% Chg.	FY20 Budget	FY20 Variance	% Var	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	194,181,501	-5.7%	208,539,148	(14,357,647)	-6.9%	181,980,000	-6.3%	8,095,000	190,075,000	-2.1%
- Special Fuel and Road Use Taxes	47,413,587	-4.4%	50,812,494	(3,398,907)	-6.7%	46,925,000	-1.0%	(30,000)	46,895,000	-1.1%
- Transcap Transfers - Fuel Taxes	(17,774,919)	5.3%	(19,060,252)	1,285,333	6.7%	(16,822,758)	5.4%	(599,823)	(17,422,581)	2.0%
- Other Fund Gasoline Tax Distributions	(4,849,535)	5.8%	(5,214,940)	365,405	7.0%	(4,562,495)	5.9%	(196,572)	(4,759,067)	1.9%
Subtotal - Fuel Taxes	218,970,635	-5.4%	235,076,450	(16,105,815)	-6.9%	207,519,747	-5.2%	7,268,605	214,788,352	-1.9%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	64,969,278	-6.7%	69,164,015	(4,194,737)	-6.1%	69,172,703	6.5%	1,805,929	70,978,632	9.2%
- License Plate Fees	3,829,530	-0.8%	3,618,983	210,547	5.8%	3,642,643	-4.9%	0	3,642,643	-4.9%
- Long-term Trailer Registration Fees	14,186,866	-6.3%	11,884,523	2,302,343	19.4%	10,884,523	-23.3%	500,000	11,384,523	-19.8%
- Title Fees	14,523,225	-4.3%	14,325,795	197,430	1.4%	14,325,795	-1.4%	0	14,325,795	-1.4%
- Motor Vehicle Operator License Fees	8,646,784	-9.2%	10,066,651	(1,419,867)	-14.1%	9,307,411	7.6%	0	9,307,411	7.6%
- Transcap Transfers - Motor Vehicle Fees	(15,507,585)	5.4%	(16,518,054)	1,010,469	6.1%	(16,518,054)	-6.5%	(305,929)	(16,823,983)	-8.5%
Subtotal - Motor Vehicle Reg. & Fees	90,648,098	-6.5%	92,541,913	(1,893,815)	-2.0%	90,815,021	0.2%	2,000,000	92,815,021	2.4%
Motor Vehicle Inspection Fees	3,120,970	-6.1%	3,202,500	(81,531)	-2.5%	3,202,500	2.6%	(109,729)	3,092,771	-0.9%
Other Highway Fund Taxes and Fees	1,280,909	-15.1%	1,368,729	(87,820)	-6.4%	1,377,454	7.5%	(110,000)	1,267,454	-1.1%
Fines, Forfeits and Penalties	899,735	47.4%	606,412	293,323	48.4%	517,867	-42.4%	(105,581)	412,286	-54.2%
Income from Investments	257,790	-71.1%	313,070	(55,280)	-17.7%	63,394	-75.4%	111,228	174,622	-32.3%
Other Highway Fund Revenues	11,998,433	3.1%	12,222,250	(223,817)	-1.8%	9,741,159	-18.8%	2,378,742	12,119,901	1.0%
Total - Highway Fund Revenue	327,176,570	-5.6%	345,331,324	(18,154,754)	-5.3%	313,237,142	-4.3%	11,433,265	324,670,407	-0.8%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.	FY24 Forecast	% Chg.	FY25 Forecast	% Chg.
Fuel Taxes														
- Gasoline Tax	200,391,000	10.1%	3,802,000	204,193,000	7.4%	202,205,000	0.9%	6,605,000	208,810,000	2.3%	210,897,700	1.0%	213,007,407	1.0%
- Special Fuel and Road Use Taxes	47,939,501	2.2%	0	47,939,501	2.2%	48,792,095	1.8%	0	48,792,095	1.8%	49,369,016	1.2%	49,951,706	1.2%
- Transcap Transfers - Fuel Taxes	(18,248,950)	-8.5%	(278,019)	(18,526,969)	-6.3%	(18,445,541)	-1.1%	(482,988)	(18,928,529)	-2.2%	(19,124,460)	-1.0%	(19,322,433)	-1.0%
- Other Fund Gasoline Tax Distributions	(5,011,177)	-9.8%	(95,076)	(5,106,253)	-7.3%	(5,056,540)	-0.9%	(165,169)	(5,221,709)	-2.3%	(5,273,919)	-1.0%	(5,326,676)	-1.0%
Subtotal - Fuel Taxes	225,070,374	8.5%	3,428,905	228,499,279	6.4%	227,495,014	1.1%	5,956,843	233,451,857	2.2%	235,868,337	1.0%	238,310,004	1.0%
Motor Vehicle Registration and Fees														
- Motor Vehicle Registration Fees	69,162,203	0.0%	0	69,162,203	-2.6%	69,162,203	0.0%	0	69,162,203	0.0%	69,162,203	0.0%	69,162,203	0.0%
- License Plate Fees	3,642,643	0.0%	0	3,642,643	0.0%	3,642,643	0.0%	0	3,642,643	0.0%	3,642,643	0.0%	3,642,643	0.0%
- Long-term Trailer Registration Fees	10,884,523	0.0%	0	10,884,523	-4.4%	10,884,523	0.0%	0	10,884,523	0.0%	10,884,523	0.0%	10,884,523	0.0%
- Title Fees	14,325,795	0.0%	0	14,325,795	0.0%	14,325,795	0.0%	0	14,325,795	0.0%	14,325,795	0.0%	14,325,795	0.0%
- Motor Vehicle Operator License Fees	9,698,036	4.2%	0	9,698,036	4.2%	9,698,036	0.0%	0	9,698,036	0.0%	9,698,036	0.0%	9,698,036	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,518,054)	0.0%	0	(16,518,054)	1.8%	(16,518,054)	0.0%	0	(16,518,054)	0.0%	(16,518,054)	0.0%	(16,518,054)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	91,195,146	0.4%	0	91,195,146	-1.7%	91,195,146	0.0%	0	91,195,146	0.0%	91,195,146	0.0%	91,195,146	0.0%
Motor Vehicle Inspection Fees	3,202,500	0.0%	0	3,202,500	3.5%	3,202,500	0.0%	0	3,202,500	0.0%	3,202,500	0.0%	3,202,500	0.0%
Other Highway Fund Taxes and Fees	1,377,454	0.0%	(110,000)	1,267,454	0.0%	1,377,454	0.0%	(110,000)	1,267,454	0.0%	1,267,454	0.0%	1,267,454	0.0%
Fines, Forfeits and Penalties	606,412	17.1%	0	606,412	47.1%	606,412	0.0%	0	606,412	0.0%	606,412	0.0%	606,412	0.0%
Income from Investments	54,658	-13.8%	39,335	93,993	-46.2%	17,343	-68.3%	10,425	27,768	-70.5%	36,317	30.8%	55,693	53.4%
Other Highway Fund Revenues	9,807,989	0.7%	(68,668)	9,739,321	-19.6%	9,843,133	0.4%	(38,668)	9,804,465	0.7%	9,804,465	0.0%	9,804,465	0.0%
Total - Highway Fund Revenue	331,314,533	5.8%	3,289,572	334,604,105	3.1%	333,737,002	0.7%	5,818,600	339,555,602	1.5%	341,980,631	0.7%	344,441,674	0.7%
Change in Biennial Totals								9,108,172						



Appendix C

Fund for a Healthy Maine Summary **Table**

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT PAYMENTS)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST**

Source	FY14 Actual	FY15 Actual	% Chg.	FY16 Actual	% Chg.	FY17 Actual	% Chg.	FY18 Actual	% Chg.	FY19 Actual	% Chg.
Tobacco Settlement Payments:											
- Base Payments	47,833,255	40,779,184	-14.7%	42,935,641	5.3%	42,587,291	-0.8%	46,658,590	9.6%	45,465,742	-2.6%
- One-time DPA Settlements *		0		0		0	0.0%	21,242,331		32,488,828	52.9%
- Strategic Contribution Payments **	8,559,647	8,696,498	1.6%	8,853,954	1.8%	8,794,086	-0.7%	0	-100.0%	0	N/A
Subtotal TSPs	56,392,902	49,475,682	-12.3%	51,789,595	4.7%	51,381,377	-0.8%	67,900,922	32.2%	77,954,570	14.8%
Casino Revenue ***	4,158,208	4,107,614	-1.2%	4,042,819	-1.6%	3,797,297	-6.1%	3,680,035	-3.1%	3,640,004	-1.09%
Income from Investments	7,823	8,956	14.5%	27,056	202.1%	49,454	82.8%	146,419	196.1%	583,469	298.5%
Total - FHM Revenue	60,558,934	53,592,252	-11.5%	55,859,469	4.2%	55,228,128	-1.1%	71,727,375	29.9%	82,178,042	14.6%

* FY 18 and 19 include a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

** Beginning in FY 18, the ten-year strategic contribution payment ended with the funding nationally for this purpose returned to the regular distribution pool.

*** Casino Revenue reflects that portion of the State's share of proceeds from slot machines at the Hollywood Casino in Bangor designated for the Fund for a Healthy Maine.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT PAYMENTS)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST**

Source	FY20 Actual	% Chg.	FY20 Budget	FY 20 Variance	% Var.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	46,272,664	1.8%	44,603,585	1,669,079	3.7%	41,780,569	-9.7%	0	41,780,569	-9.7%
- One-time DPA Settlements *	0	-100.0%	0	0	N/A	0	N/A	0	0	N/A
- Strategic Contribution Payments **	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Subtotal TSPs	46,272,664	-40.6%	44,603,585	1,669,079	3.7%	41,780,569	-9.7%	0	41,780,569	-9.7%
Casino Revenue ***	2,773,875	-23.79%	3,785,455	(1,011,580)	-26.7%	1,684,756	-39.3%	1,156,153	2,840,909	2.4%
Income from Investments	496,816	-14.9%	554,711	(57,895)	-10.4%	161,779	-67.4%	(31,338)	130,441	-73.7%
Total - FHM Revenue	49,543,354	-39.7%	48,943,751	599,603	1.2%	43,627,104	-11.9%	1,124,815	44,751,919	-9.7%

* FY 18 and 19 include a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

** Beginning in FY 18, the ten-year strategic contribution payment ended with the funding nationally for this purpose returned to the regular distribution pool.

*** Casino Revenue reflects that portion of the State's share of proceeds from slot machines at the Hollywood Casino in Bangor designated for the Fund for a Healthy Maine.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT PAYMENTS)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST**

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.	FY24 Forecast	% Chg.	FY25 Forecast	% Chg.
Tobacco Settlement Payments:														
- Base Payments	39,325,133	-5.9%	0	39,325,133	-5.9%	37,156,619	-5.5%	0	37,156,619	-5.5%	37,156,619	0.0%	37,156,619	0.0%
- One-time DPA Settlements *	0	N/A	0	0	N/A	0	N/A	0	0	N/A		N/A		N/A
- Strategic Contribution Paymts **	0	N/A	0	0	N/A	0	N/A	0	0	N/A		N/A		N/A
Subtotal TSPs	39,325,133	-5.9%	0	39,325,133	-5.9%	37,156,619	-5.5%	0	37,156,619	-5.5%	37,156,619	0.0%	37,156,619	0.0%
Casino Revenue ***	2,731,883	62.2%	384,269	3,116,152	9.7%	3,704,447	35.6%	41,965	3,746,412	20.2%	3,840,073	2.5%	3,849,673	0.2%
Income from Investments	211,807	30.9%	(148,452)	63,355	-51.4%	112,257	-47.0%	(105,424)	6,833	-89.2%	8,131	19.0%	10,997	35.2%
Total - FHM Revenue	42,268,823	-3.1%	235,817	42,504,640	-5.0%	40,973,323	-3.1%	(63,459)	40,909,864	-3.8%	41,004,823	0.2%	41,017,289	0.0%
Change in Biennial Totals									172,358					

* FY 18 and 19 include a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

** Beginning in FY 18, the ten-year strategic contribution payment ended with the funding nationally for this purpose returned to the regular distribution pool.

*** Casino Revenue reflects that portion of the State's share of proceeds from slot machines at the Hollywood Casino in Bangor designated for the Fund for a Healthy Maine.



Appendix D

Medicaid/MaineCare Dedicated Revenue Taxes Summary Table

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY14 Actual	FY15 Actuals	% Chg.	FY 16 Actual	% Chg.	FY 17 Actual	% Chg.	FY18 Actual	% Chg.	FY19 Actual	% Chg.
Nursing Facility Tax	34,168,165	35,323,010	3.4%	37,105,990	5.0%	36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%
Residential Treatment Facility (ICFs/MR) Tax	1,878,734	1,660,080	-11.6%	2,005,640	20.8%	1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%
Hospital Tax *	97,208,195	97,379,317	0.2%	95,334,196	-2.1%	95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)**	35,354,849	36,711,725	3.8%	40,128,998	9.3%	43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%
Total - Health Care Provider Taxes	168,609,944	171,074,132	1.5%	174,574,824	2.0%	176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%

* 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; again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14; again in PL 2017, c.284 to hospital fiscal years ending during calendar year 2014 beginning in FY 18; and again in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20.

** The Service Provider Tax rates were increased in PL 2015, c. 267, Part TTTT from 5.0% to 6.0% beginning in FY16, on 01/01/2016.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY20 Actual	% Chg.	FY20 Budget	FY20 Variance	% Var.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Nursing Facility Tax	43,432,833	24.1%	39,291,304	4,141,529	10.5%	41,786,220	-3.8%	2,736,343	44,522,563	2.5%
Residential Treatment Facility (ICFs/MR) Tax	2,250,322	9.5%	2,278,115	(27,793)	-1.2%	2,278,115	1.2%	216,848	2,494,963	10.9%
Hospital Tax *	115,464,903	12.6%	115,287,729	177,174	0.2%	115,888,143	0.4%	0	115,888,143	0.4%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)**	52,990,306	5.1%	52,640,692	349,614	0.7%	54,156,618	2.2%	(562,796)	53,593,822	1.1%
Total - Health Care Provider Taxes	214,138,364	12.7%	209,497,840	4,640,524	2.2%	214,109,096	0.0%	2,390,395	216,499,491	1.1%

* 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; again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14; again in PL 2017, c.284 to hospital fiscal years ending during calendar year 2014 beginning in FY 18; and again in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20.

** The Service Provider Tax rates were increased in PL 2015, c. 267, Part TTTT from 5.0% to 6.0% beginning in FY16, on 01/01/2016.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2020 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.	FY24 Forecast	% Chg.	FY25 Forecast	% Chg.
Nursing Facility Tax	41,786,220	0.0%	0	41,786,220	-6.1%	41,786,220	0.0%	0	41,786,220	0.0%	41,786,220	0.0%	41,786,220	0.0%
Residential Treatment Facility (ICFs/MR) Tax	2,278,115	0.0%	0	2,278,115	-8.7%	2,278,115	0.0%	0	2,278,115	0.0%	2,278,115	0.0%	2,278,115	0.0%
Hospital Tax *	115,888,143	0.0%	0	115,888,143	0.0%	115,888,143	0.0%	0	115,888,143	0.0%	115,888,143	0.0%	115,888,143	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)**	54,156,618	0.0%	0	54,156,618	1.1%	54,156,618	0.0%	0	54,156,618	0.0%	54,156,618	0.0%	54,156,618	0.0%
Total - Health Care Provider Taxes	214,109,096	0.0%	0	214,109,096	-1.1%	214,109,096	0.0%	0	214,109,096	0.0%	214,109,096	0.0%	214,109,096	0.0%
Change in Biennial Totals								0						

* 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; again in PL 2013, c. 368 to hospital fiscal years ending during calendar year 2012 beginning in FY 14; again in PL 2017, c.284 to hospital fiscal years ending during calendar year 2014 beginning in FY 18; and again in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20.

** The Service Provider Tax rates were increased in PL 2015, c. 267, Part TTTT from 5.0% to 6.0% beginning in FY16, on 01/01/2016.



Appendix E

Consensus Economic Forecasting **Commission Report**

November 1, 2020

**Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
November 1, 2020**

Commissioners

Ryan Low, Chair
*Vice Chancellor for Finance and Administration & Treasurer
University of Maine System*

Dr. Chuck Lawton

Dr. Julieta Yung
*Assistant Professor of Economics
Bates College*

Sarah Austin
*Policy Analyst
Maine Center for Economic Policy*

Dr. Sheena S. Bunnell
*Professor of Business Economics
University of Maine Farmington*

Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 23, 2020, to review and revise its forecast through 2025. This meeting follows the off-cycle forecast update of July 1, 2020, resulting from the extraordinary circumstances of the past eight months and recession caused by the onset of COVID-19. Prior to its fall forecasting meeting the CEFC held an information gathering session on October 16, 2020, a summary of which is available online. This report provides a summary of the Commission's findings.

As a critical part of the forecasting process, the Commission reviewed their key assumptions from the July 2020 off-cycle forecast. Overall, the CEFC agrees with the original assessment of the economic and public health conditions made during the summer. Since the last forecast, the CEFC has identified higher uncertainty regarding the timing of further federal stimulus and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. The Commission reiterates that current conditions are unprecedented, highly uncertain, and changing rapidly. Additionally, the CEFC noted their concern that the exacerbation of inequality as different groups experience uneven paces of economic recovery will hold back the overall recovery of the state and place additional demands on state educational and social service programs while threatening to reduce the tax revenues that fund them.

Record-setting job losses in March and April were followed by sharp but incomplete gains through the summer. Total nonfarm employment is projected to decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. This forecast anticipates employment will decline from around 636,000 in 2019 to a trough of around 585,200 in 2020, recovering to about 622,600 in 2025. This is a slight improvement over the previous forecast, which saw a peak of 620,700 in 2023 that remained flat through 2025, reflecting upside risks to the labor market recovery as a result of structural changes.

Total personal income was revised up in all years, notably to 5.3% in 2020 compared to 3.9% in the prior forecast. These revisions are driven by data showing a stronger rebound of middle- and high-income jobs. Changes to estimates of non-payroll sources of income resulted in additional upward revisions in 2021 to 2025.

Most components of personal income saw only minor upward revisions, while some others were left altogether unrevised. Growth in wages and salaries, the largest component of personal income, was revised upward to -1.5%, a 3.5 percentage point increase from July. The forecasts for 2021-2025 were each subsequently revised up by 1.0 points, to 3.0% in 2021 and 4.0% in 2022-2025. The forecasts for both supplements to wages and salaries and nonfarm proprietors' income were left entirely unchanged from July. Dividends, interest, and rent was revised for 2020 and 2021 to -1.0% and 0.1%, respectively, compared to 0.1% and -1.0%, respectively, in the July forecast. 2022-2025 were left unchanged. Personal current transfer receipts were left unchanged in all years.

The forecast for inflation (measured by the Consumer Price Index, or CPI) was revised up in all years through 2025, reflecting the Federal Reserve Bank's aim to keep inflation moderately higher in the future to compensate for lower inflation in previous years. The forecast for 2020 was revised up from 0.9% to 1.3% due to prolonged weak demand and low oil and commodity prices. Meanwhile, future inflation projections are 2.2% in 2021 and 2022 and 2.1% in 2023-2025. Additionally, the forecast for corporate profits was revised up substantially, from a decline of 30.0% for 2020 in the July forecast to growth of 0.6% in this forecast. Growth rates for 2021-2025 were left unchanged.

The following table provides the forecast's major indicators.

Calendar Years	2019	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)							
CEFC Forecast 02/2020	0.9	0.5	0.2	0.1	0.0	0.0	0.0
CEFC Forecast 07/2020	0.9	-8.0	4.0	2.0	0.0	0.0	0.0
CEFC Forecast 11/2020	0.9	-8.0	4.0	2.0	0.1	0.1	0.1
Personal Income (Annual Percentage Change)							
CEFC Forecast 02/2020	4.7	4.1	4.0	3.7	3.5	3.5	3.5
CEFC Forecast 07/2020	4.6	3.9	-1.2	3.7	3.5	3.6	3.6
CEFC Forecast 11/2020	4.2	5.3	-0.5	3.9	3.9	3.9	4.0
Wage and Salary Income (Annual Percentage Change)							
CEFC Forecast 02/2020	4.5	4.1	3.7	3.4	3.2	3.2	3.2
CEFC Forecast 07/2020	4.6	-5.0	2.0	3.0	3.0	3.0	3.0
CEFC Forecast 11/2020	4.9	-1.5	3.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)							
CEFC Forecast 02/2020	1.8	1.9	2.0	2.0	2.0	2.0	2.0
CEFC Forecast 07/2020	1.8	0.9	1.5	1.7	2.0	2.0	2.0
CEFC Forecast 11/2020	1.8	1.3	2.2	2.2	2.1	2.1	2.1

In deliberations leading to consensus, the CEFC considered information presented by the Maine Department of Labor, Maine Revenue Services, and by the Office of the State Economist in the Department of Administrative and Financial Services. The following sections summarize these reports. Additional background materials are available online.

Office of the State Economist (Department of Administrative and Financial Services)

Total personal income in Maine grew 41.0% in the second quarter of 2020, driven by sharp increases in transfer receipts. Wage and salary income, which is the largest component of total personal income, fell by 28.8%. Gross State Product fell by \$5.7 billion, or 34.4% at an annualized rate in the second quarter of 2020 during the worst of the COVID-19 pandemic. The Consumer Price Index was up 1.4% year-over-year in September 2020, while energy prices remain 7.6% below September 2019 and food sits 3.9% over last year.

Nationwide, consumer sentiment plummeted in late March and has faced a rocky recovery. The October 2020 consumer sentiment index remained 15% under October 2019. However, the Small Business Optimism Index was up 2.2% in September compared to last year.

Following a massive drop in the second quarter, the price of crude oil rose by 46.4% from the second quarter to the third quarter of 2020. Gasoline prices averaged \$2.19 on October 12, 2020, in New England.

Data for August 2020 show total exports in Maine decreased by 21.9% over August 2019 and by 14.1% for the year through August.

Single family existing-home sales in Maine in August 2020 were up 1.3% compared to August 2019, while the median sales price increased 17.4% from a year prior as the market maintains a tight supply. Maine's House Price Index rose by 8.4% in the first quarter of 2020, higher than both New England and the United States.

The first week of October had a year-over-year decline of 6.4% in vehicle miles traveled, up from a decline of 42% in the last week of March. New data from the U.S. Census Bureau shows that 38% of households in Maine have experienced a loss of employment income since March, while other analysis shows employment recovery has been slowest for low-income jobs. Credit and debit card data indicate that consumer spending has begun to stagnate and now sits 13.4% below January levels.

Full background materials are available at: <https://www.maine.gov/dafs/economist/economic-forecasting>

Maine Department of Labor

Workforce conditions continued to gradually recover from the sharp downturn caused by the COVID pandemic in the spring. According to the monthly survey of employer payrolls, 52 percent of the 104,500 nonfarm jobs lost in March and April had been regained through September. All industry sectors lost jobs between February and April and most gained jobs back between April and September. Four sectors were within three percent of their February level in September (construction; transportation, warehousing, and utilities; wholesale trade; and retail trade) and three remained down by 15 percent or more (leisure and hospitality, information, and private educational services).

Unemployment estimates from a separate survey of households have understated the magnitude of job displacement that has occurred since the pandemic began to impact the labor market. Between February and April, the estimated number of unemployed increased by less than half as much as the net job loss reported through the payroll survey. In September the number of unemployed was up just 19,300 from February, despite the fact that the number of jobs remained down 50,600. This is because labor force participation declined. Many people who lost employment have not been able to engage in work search because childcare, personal safety, or other factors have kept them from doing so. (Like retired people, jobless people who do not or cannot engage in work search are not counted as unemployed – they are not in the labor force.) If labor force participation was as high as immediately before the pandemic, the September unemployment rate would have been 9.2 percent.

Employers paid a total of \$6.95 billion in wages in the second quarter of 2020. Adjusted for inflation, that was down \$176 million from the same quarter in 2019 and close to the level of 2018. The average wage increased sharply in the second quarter because job losses were concentrated in low-wage sectors, skewing the average toward jobs in higher-wage sectors. As employment returns in the sectors that have been most impacted, average wages may decrease somewhat for a period of time.

There has long been an inverse relationship between unemployment and job openings rates. When unemployment increases, job openings typically decrease. In data available through June the job openings rate did go down in the second quarter of the year, but not as much as expected given the sharp increase in unemployment. It is too early to draw strong conclusions from this information, but it may be an indication of a gap between employer needs and the qualifications of job seekers.

National surveys of businesses conducted by the Conference Board found an overall perception that remote work does not hurt productivity and that many businesses are planning for a permanent shift to remote work. This may be the biggest legacy of the pandemic on the workforce because it will afford greater geographic flexibility for employers in recruiting and for employees in their choices of places to

live. It is possible that Maine could experience an increase in the rate of net in-migration to the state, which could stabilize the size of the labor force in the years ahead as large numbers of baby boomers retire.

In the first two weeks of October, 34 percent of households in Maine reported that some adult in their household had substituted telework for some or all of their typical in-person work because of the coronavirus. The share was higher than average among those with the most educational attainment and those with the highest earnings.

Looking at regions, unemployment is up from a year ago throughout the state. The largest increases have been in the southern part of the state where population density is highest and infection rates have been higher than farther north. Among the 16 counties, Cumberland and York counties are in the upper half of unemployment rates, which has not been the case for decades.

This presentation is available at maine.gov/labor/cwri/publications/pdf/CEFCOctober2020.pdf.

Maine Revenue Services - Office of Tax Policy (OTP)

In its August 2020 update, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates downward by \$527.8 million for FY21 and by \$883.2 million for the FY22/23 biennium. The forecasted rate of year-over-year growth for General Fund revenue in FY21 is currently negative 10.8%, followed by growth of 5.6% in FY22 and 3.4% for FY23. In addition, Highway Fund revenues were reduced by \$30.8 million in FY21 and \$30.5 million in the FY22/23 biennium.

Almost 95% (-\$498.3 million) of the -\$527.8 million reprojection in FY21 by the RFC was from sales and use and individual income taxes, and 100% of the FY22 and FY23 net reductions were attributable to these two revenue lines. In both cases, swift and unprecedented stimulus from the federal government and the Federal Reserve System helped to moderate the initial impact on State revenues of the historic COVID-19 recession during the final quarter of FY20.

In the case of the sales and use tax line, approximately 60% of the \$238 million reduction in FY21 was attributable to taxable prepared foods and lodging. Lodging sales were assumed to be down year-over-year by 50% during the third quarter of CY20, the height of the summer tourism season. Lodging sales were assumed to improve slowly over the remainder of CY20 and were not expected to generate the same level of tax revenue as CY19 until CY22. Prepared food sales, mostly restaurant sales, were projected to perform better than lodging, but were assumed to be down approximately 30% year-over-year during the third quarter of CY20. Like lodging, prepared food sales were assumed to slowly improve and not get back to the same level of tax revenue as CY19 until CY22. The gradual improvement in both sales categories, representing 25% of total sales tax revenue in a typical year, is the primary reason for the lower decrease in sales tax revenue of \$152 million in FY22 and \$131.3 million in FY23. One bright note on sales tax was the additional tax revenue the State is collecting because of several recent law changes that require remote sellers to collect and remit sales tax on sales delivered into Maine.

Seventy-five percent of the adjustments to individual income tax revenue were primarily the result of the CEFC's assumption of combined wage and salary and unemployment insurance (UI) benefits growth over the forecast period. The CEFC forecast assumed that the initial enhanced UI benefits that were part of the CARES Act and a continuation of those benefits at some reduced level in the next federal stimulus package would almost offset the reduction in wages and salaries during CY20. After CY20 the

CEFC assumed that UI benefits would fall back to normal levels and growth as unemployment declines, but wage and salary growth would be weaker than their previous forecast. These assumptions resulted in a growing gap between the February and July CEFC forecast for the combined level of wage and salary and UI benefits, which had a significant impact on individual income tax liability. Other key factors impacting the individual income tax forecast were: (1) the reversal of the FY20 accruals for final and estimated payments in FY21, (2) a larger decrease in capital gains realizations than the March forecast, and (3) a reduction in IRA income in tax year 2020 due to federal tax law changes.

With actual revenues through September and less than a week of processing left in October, FY21 GF revenues are running well ahead of budget. Through the first quarter of the fiscal year GF revenues are \$68.1 million over budget (7.1%). Most of the year-to-date variance is from sales and use tax (\$23.9 million) and individual income tax (\$48.0 million). Relative to the same period a year ago, GF revenues are down 3.3%. Adjusting for the increase in revenue sharing, GF revenues are down 2.6% through September.

The strong performance in sales and use tax relative to forecast is primarily because lodging sales have been much better than was expected when the RFC met in late July. The August 1, 2020, forecast assumed an average decline in June-August lodging sales of over 50%, but actual sales for that three-month period were down 39%. In addition, the auto/transportation sector has been much stronger than projected, increasing by 9.2% during the first quarter of the fiscal year. Building supply store sales and remote sales have also been very good during the early months of FY21. Early indications are that October sales tax receipts (September sales) will significantly exceed budget, once again led by lodging not being as bad as projected and auto/transportation sales increasing by double digits. Going forward, the lack of additional fiscal stimulus and the recent rise in COVID-19 cases may limit consumer spending during the important holiday shopping season.

Individual income tax receipts are primarily over budget fiscal year-to-date because withholding is over budget by \$31.6 million, up 9.2% compared to the first quarter of FY20. The exceptionally strong growth has been helped by the extra \$600 per week unemployment insurance (UI) benefit that was part of the federal CARES Act. The additional UI benefit expired at the end of July, but a Presidential Memorandum added an additional \$300 per week benefit for six weeks using funds from FEMA. October withholdings will be the first month since April that will not be impacted by the expanded UI benefits. The third estimated payment for tax year 2020 was due September 15th and was over budget by \$13 million, an increase of 15% compared to last September. The first three estimated payments for 2020 are now down 15% year-over-year, with the final estimated payment due January 15th. October individual income tax receipts will likely be over budget, but not by as much as recent months as withholding revenue is expected to be close to budget for the month.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics baseline scenario for October 2020 and the IHS Markit baseline scenario for October 2020. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's July 2020 off-cycle forecast. In addition, the CEFC reviewed its assumptions for the previous forecast and made minor changes after incorporating new insights. Overall, the commission felt generally comfortable with the assumptions made in the prior forecast. Several preliminary data points, particularly regarding new in-migration and a strong housing market and early signs of a robust winter tourism season, have renewed optimism for the Commission moving forward. The key assumptions made by the CEFC are as follows:

- A protracted and slow recovery from the current recession, highly uneven across sectors and different group
- Although there is some concern that the holidays and winter months combined with “COVID fatigue” may lead to further spread of COVID-19, the State has developed resources that will help mitigate the effects
- The timeline for widespread availability and distribution of a vaccine remains uncertain
- Further federal stimulus will likely follow in 2021 including support for state and local governments, unemployed workers, and lower-income households
- Long-term structural changes are likely to occur as the labor market faces a skills mismatch; additionally, the challenges relating to the availability of childcare and K-12 education are seen as major factors in returning labor force participation rates to normal levels
- The Commission is optimistic that there is an opportunity for Maine to see increased in-migration in the coming years as telework becomes part of the “new normal” and people look for less densely populated places to live; however, this does have implications on the commercial real estate front, particularly for office space
- There is additional uncertainty in this forecast relating to the 2020 presidential election and subsequent policy action as well as the recent federal inflation target changes
- Human behavior underpins several key uncertainties at this time, including participation in testing and contact tracing; continued adherence to social distancing procedures; and winter tourism decisions

Consensus Forecast

Following the rapid declines of March and April 2020, Maine’s employment situation has slowly improved over the summer. Total nonfarm employment is projected to decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. Compared to the July 2020 off-cycle forecast, this is unchanged in 2020-2022, while 2023-2025 were revised up from 0.0% to 0.1% to account for the potential upside risk to the labor market resulting from structural changes in employment. The CEFC continues to look for signs of change in the long-term trajectory of employment, immigration data, and labor force participation trends. The Commission is hopeful that this more optimistic medium-term forecast is confirmed with future data. This revised forecast anticipates employment will decline from 636.0 thousand in 2019 to 585.2 thousand in 2020, reaching a peak of 622.6 thousand in 2025. The July 2020 forecast projected a peak of 620.8 thousand. Still, this is significantly lower than the peak of 639.4 thousand in the February 2020 pre-pandemic forecast, reflecting the pronounced disruptions to employment in the state. Structural changes to the labor market complicate this forecast; the CEFC voiced concerns that retraining those who permanently lost jobs and reintegrating workers back into the labor force may take several years and will likely lead to a protracted recovery.

Total personal income was revised up to 5.3% in 2020, 1.4 percentage points higher than the July 2020 forecast. 2021-2025 were also revised up, from -1.2% to -0.5% in 2021; to 3.9% in 2022-2024, from 3.7%, 3.5%, and 3.6%, respectively; and from 3.6% to 4.0% in 2025.

Growth in wages and salaries, the largest component of personal income, was revised up for 2020 by 3.5 points compared to July’s forecast, from -5.0% to -1.5%. 2021-2025 were each revised up by one percentage point, to 3.0% in 2021 and 4.0% in 2022-2025. The CEFC notes that heterogeneity in wage dynamics across industries complicates this forecast for total wage and salary income. While there have been signs of rising wages in some industries, both high unemployment and labor mismatch leaves

short-term wage growth less certain. Additionally, the CEFC notes that COVID-19's effect on income inequality presents a major concern.

Growth in supplements to wages and salaries was unchanged for 2020-2025. Nonfarm Proprietors' income was also left unchanged for 2020-2025.

The forecast for dividends, interest, and rent was revised down for 2020, from 0.1% to -1.0%. Meanwhile, 2021 was revised up from -1.0% to 0.1%. Without sufficient evidence of changing conditions in the out-years, the forecasts for 2022-2025 were left unchanged.

Growth in personal current transfer receipts was left unchanged for all years. While negotiations for a new stimulus package are currently underway, the CEFC believes any further federal aid will follow sometime in 2021 and is less likely to take place this year. The commission looks forward to revisiting this forecast as new information may come to light in the coming months.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for all years. The Commission projects inflation will be 1.3% in 2020, up from 0.9% in the previous forecast, though still well below the national inflation target. Forecasts for 2021 and 2022 were revised up to 2.2%, while 2023-2025 were revised up to 2.1%. These changes reflect the stated willingness of the Federal Reserve to exceed a 2.0% target each year in order to achieve 2.0% *average* inflation across years. The CEFC is eager to see how this change materializes in the coming years.

Finally, the forecast for corporate profits was revised up significantly for 2020, to growth of 0.6% compared to a decline of 30.0% in the July 2020 off-cycle forecast. No other years were revised.

Of great concern to the CEFC were the structural changes to Maine's economy that COVID-19 may cause. For example, Commission members voiced concern for the potential long-term impacts of labor mismatch and increasing exits from the labor force, while recognizing that increased migration from out-of-state residents might accelerate the recovery process. The CEFC emphasized that improvements in labor conditions are dependent on policies that provide support for childcare and K-12 education. Additionally, further developments regarding another federal stimulus package have the potential to change these forecasts significantly.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

November 2020 Forecast Update

	History	Forecast					
	2019	2020	2021	2022	2023	2024	2025
CPI-U* (Annual Change)	1.8%	1.3%	2.2%	2.2%	2.1%	2.1%	2.1%
CPI for Energy Prices** (Annual Change)	-2.1%	-9.1%	5.4%	5.9%	2.0%	2.1%	2.9%
CPI for New Vehicles** (Annual Change)	0.4%	0.5%	1.9%	0.2%	0.3%	0.2%	0.1%
New Vehicle Registrations** (Annual Change)	-3.6%	-11.8%	2.2%	-3.0%	-0.1%	0.0%	0.3%
Personal Savings Rate**	7.6%	14.9%	8.1%	4.1%	3.7%	3.5%	3.3%
Maine Unemployment Rate**	3.0%	6.5%	5.3%	4.1%	3.5%	3.1%	2.9%
3-Month Treasury Bill Rate**	2.06%	0.37%	0.10%	0.09%	0.09%	0.11%	0.11%
10-Year Treasury Note Yield**	2.14%	0.85%	0.90%	1.20%	1.44%	1.56%	1.77%
Before-Tax Corporate Profits* (Annual Change)	2.3%	0.6%	10.0%	3.7%	2.7%	2.7%	2.7%
Maine Wage & Salary Employment* (thousands)	636.0	585.2	608.6	620.7	621.3	622.0	622.6
Natural Resources	2.2	2.1	2.2	2.3	2.3	2.3	2.3
Construction	29.8	29.6	29.5	28.2	27.6	27.6	27.8
Manufacturing	53.3	47.6	48.7	50.1	50.2	50.3	50.3
Trade/Trans./Public Utils.	118.7	114.8	118.6	116.2	111.6	108.4	107.5
Information	7.2	6.1	6.6	7.1	6.9	6.9	6.9
Financial Activities	33.0	32.2	32.5	34.2	34.7	34.9	34.9
Prof. & Business Services	69.4	65.2	67.4	72.6	74.9	77.2	79.9
Education & Health Services	129.3	119.7	125.2	126.9	127.7	128.4	128.2
Leisure & Hospitality Services	69.5	49.7	58.7	61.0	63.0	63.0	61.6
Other Services	22.4	20.6	21.0	22.4	22.6	22.6	22.6
Government	101.3	97.7	98.1	99.7	99.8	100.3	100.6
Maine Wage & Salary Employment* (Annual Change)	0.9%	-8.0%	4.0%	2.0%	0.1%	0.1%	0.1%
Natural Resources	-1.5%	-4.0%	6.3%	3.1%	0.7%	0.0%	-0.5%
Construction	1.5%	-0.7%	-0.5%	-4.3%	-2.1%	0.1%	0.5%
Manufacturing	2.3%	-10.8%	2.4%	3.0%	0.2%	0.1%	0.0%
Trade/Trans./Public Utils.	-0.4%	-3.3%	3.3%	-2.0%	-4.0%	-2.8%	-0.8%
Information	-3.1%	-15.8%	9.5%	6.2%	-2.1%	0.0%	0.0%
Financial Activities	2.7%	-2.4%	1.0%	5.2%	1.3%	0.7%	0.1%
Prof. & Business Services	0.0%	-6.1%	3.4%	7.7%	3.2%	3.0%	3.6%
Education & Health Services	1.8%	-7.4%	4.6%	1.4%	0.6%	0.6%	-0.2%
Leisure & Hospitality Services	0.7%	-28.5%	18.1%	4.0%	3.2%	0.0%	-2.2%
Other Services	0.6%	-7.7%	1.8%	6.7%	0.9%	-0.1%	-0.1%
Government	1.0%	-3.6%	0.5%	1.5%	0.2%	0.5%	0.3%
	2019	2020	2021	2022	2023	2024	2025
Personal Income* (\$ million)	68,062	71,697	71,328	74,112	76,998	80,013	83,175
Wages & Salaries*	31,483	31,011	31,941	33,219	34,547	35,929	37,366
Supplements to Wages & Salaries*	7,826	7,709	7,987	8,258	8,539	8,829	9,129
Nonfarm Proprietors' Income*	5,078	4,926	5,084	5,251	5,383	5,517	5,655
Farm Proprietors' Income**	123	84	47	62	67	61	57
Dividends, Interest, & Rent*	12,651	12,524	12,537	12,825	13,107	13,396	13,690
Dividends	3,973	3,787	3,938	4,117	4,265	4,367	4,463
Interest	5,785	5,748	5,504	5,395	5,311	5,312	5,357
Rent	2,893	3,024	3,113	3,329	3,550	3,743	3,903
Personal Current Transfer Receipts*	15,069	19,589	18,022	19,014	20,059	21,183	22,390
Less: Contributions for Social Ins.**	5,265	5,232	5,424	5,699	5,927	6,167	6,422
Adjustment for Residence**	1,097	1,086	1,135	1,182	1,223	1,265	1,309
Personal Income* (Annual Change)	4.2%	5.3%	-0.5%	3.9%	3.9%	3.9%	4.0%
Wages & Salaries*	4.9%	-1.5%	3.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	5.0%	-1.5%	3.6%	3.4%	3.4%	3.4%	3.4%
Nonfarm Proprietors' Income*	4.7%	-3.0%	3.2%	3.3%	2.5%	2.5%	2.5%
Farm Proprietors' Income**	53.9%	-31.7%	-44.4%	32.5%	7.1%	-7.8%	-7.3%
Dividends, Interest, & Rent*	0.7%	-1.0%	0.1%	2.3%	2.2%	2.2%	2.2%
Dividends	-1.0%	-4.7%	4.0%	4.5%	3.6%	2.4%	2.2%
Interest	0.5%	-0.6%	-4.2%	-2.0%	-1.6%	0.0%	0.9%
Rent	3.7%	4.5%	2.9%	6.9%	6.6%	5.4%	4.3%
Personal Current Transfer Receipts*	4.9%	30.0%	-8.0%	5.5%	5.5%	5.6%	5.7%
Less: Contributions for Social Ins.**	4.3%	-0.6%	3.7%	5.1%	4.0%	4.0%	4.1%
Adjustment for Residence**	4.5%	-1.1%	4.6%	4.1%	3.5%	3.4%	3.5%

*CEFC Forecast

**From IHS Markit and Moody's Analytics baselines (Oct. 2020)

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



APPENDIX F

Maine Revenue Services **Recommendations and Background** **Materials**

Table of Contents

Summary Maine Revenue Services Recommendations	F-1
Revenue Update Through October 2020	F-2
Sales and Use Tax and Service Provider Tax	F-9
Individual Income Tax	F-25
Corporate Income Tax	F-37
Other Taxes	F-40
Motor Fuel Tax	F-46

Maine Revenue Services' - Office of Tax Policy - Recommendations to the Revenue Forecasting Committee

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>Biennium</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Biennium</u>
Sales & Use Tax	\$136,500,000	\$92,100,000	\$80,000,000	\$172,100,000	\$1,858,700,000	\$1,914,800,000	\$3,773,500,000
Service Provider Tax	(\$892,000)	(\$1,123,000)	(\$1,193,000)	(\$2,316,000)	\$54,882,000	\$54,333,000	\$109,215,000
Individual Income Tax	\$107,390,000	\$110,910,000	\$144,650,000	\$255,560,000	\$1,928,100,000	\$2,030,630,000	\$3,958,730,000
Corporate Income Tax	\$26,000,000	\$36,500,000	\$37,000,000	\$73,500,000	\$234,250,000	\$240,500,000	\$474,750,000
Estate Tax	\$6,000,000	\$500,000	\$1,300,000	\$1,800,000	\$17,900,000	\$18,500,000	\$36,400,000
Real Estate Transfer Tax, General Fund	\$5,245,000	\$4,186,000	\$3,142,000	\$7,328,000	\$23,841,000	\$24,868,000	\$48,709,000
Cigarette, Tobacco, and Marijuana Excise Taxes	(\$50,000)	\$2,055,000	\$2,405,000	\$4,460,000	\$153,104,000	\$156,193,000	\$309,297,000
Telecommunications Excise Tax	\$385,000	\$550,000	\$800,000	\$1,350,000	\$6,000,000	\$6,000,000	\$12,000,000
Insurance Company Tax	\$2,100,000	\$2,100,000	\$2,100,000	\$4,200,000	\$86,050,000	\$86,900,000	\$172,950,000
Container Fee	\$1,900,000	\$1,400,000	\$1,300,000	\$2,700,000	\$3,500,000	\$3,500,000	\$7,000,000
Commercial Forestry Excise Tax	\$0	\$0	\$0	\$0	\$2,500,000	\$2,500,000	\$5,000,000
BETE Reimbursement	\$0	\$0	\$0	\$0	(\$66,450,000)	(\$71,100,000)	(\$137,550,000)
BETR Reimbursement	(\$100,000)	(\$80,000)	(\$90,000)	(\$170,000)	(\$17,750,000)	(\$16,700,000)	(\$34,450,000)
Transfer to Clean Election Fund	\$55,465	\$50,000	\$50,000	\$100,000	(\$3,140,000)	(\$3,140,000)	(\$6,280,000)
Gas Tax	\$8,095,000	\$3,802,000	\$6,605,000	\$10,407,000	\$210,897,700	\$213,007,407	\$423,905,107
Special Fuel Tax	(\$30,000)	\$0	\$0	\$0	\$49,369,016	\$49,951,706	\$99,320,722
<hr/>							
Total Adjustments to Current Forecast	\$292,598,465	\$252,950,000	\$278,069,000	\$531,019,000	\$4,541,753,716	\$4,710,743,113	\$9,252,496,829
<hr/>							
General Fund	\$274,754,675	\$231,023,319	\$256,740,932	\$487,764,251	\$4,038,805,100	\$4,194,280,417	\$8,233,085,517
Local Government Fund	\$9,820,988	\$15,749,745	\$12,855,078	\$28,604,823	\$207,028,890	\$215,249,715	\$422,278,605
Tourism Marketing Promotion Fund	\$0	\$1,605,000	\$1,240,000	\$2,845,000	\$19,235,000	\$20,245,000	\$39,480,000
Adult Use Marijuana Public Health and Safety	(\$42,198)	\$436,936	\$215,990	\$652,926	\$5,028,010	\$6,198,868	\$11,226,878
Multimodal Transportation Fund	\$0	\$333,000	\$412,000	\$745,000	\$11,390,000	\$11,810,000	\$23,200,000
Highway Fund (Motor Fuel Taxes)	\$7,268,605	\$3,428,904	\$5,956,841	\$9,385,745	\$235,868,337	\$238,310,004	\$474,178,341
Transcap Trust Fund	\$599,823	\$278,019	\$482,988	\$761,007	\$19,124,460	\$19,322,433	\$38,446,893
Other Gas Tax Distr butions	\$196,572	\$95,077	\$165,171	\$260,248	\$5,273,919	\$5,326,676	\$10,600,595

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2020

For the Fiscal Year Ending June 30, 2021

Comparison to Budget

Exhibit I

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2021
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 159,213,562	\$ 129,604,619	\$ 29,608,943	22 8 %	\$ 629,091,478	\$ 575,608,186	\$ 53,483,292	9 3 %	\$ 1,455,720,480
Service Provider Tax	4,609,279	4,770,852	(161,573)	(3 4)%	18,584,183	19,637,888	(1,053,705)	(5 4)%	57,454,000
Individual Income Tax	159,821,355	134,053,824	25,767,531	19 2 %	589,706,899	515,902,339	73,804,560	14 3 %	1,589,621,248
Corporate Income Tax	8,657,899	5,790,420	2,867,479	49 5 %	69,852,270	62,502,201	7,350,069	11 8 %	175,505,002
Cigarette and Tobacco Tax	9,544,807	12,631,119	(3,086,312)	(24 4)%	49,266,813	49,876,549	(609,736)	(1 2)%	144,451,400
Insurance Companies Tax	7,421,242	8,403,571	(982,329)	(11 7)%	8,110,260	9,011,264	(901,004)	(10 0)%	82,300,000
Estate Tax	9,357,370	1,100,000	8,257,370	750 7 %	10,898,854	3,169,225	7,729,629	243 9 %	12,050,000
Fines, Forfeits & Penalties	559,987	1,019,920	(459,933)	(45 1)%	3,193,901	3,795,066	(601,165)	(15 8)%	11,253,699
Income from Investments	436,176	302,189	133,987	44 3 %	1,373,063	964,904	408,159	42 3 %	3,824,776
Transfer from Lottery Commission	5,891,358	5,227,575	663,783	12 7 %	22,915,077	20,058,661	2,856,416	14 2 %	60,000,000
Transfers for Tax Relief Programs	313,251	(2,162,805)	2,476,056	114 5 %	345,060	(4,107,418)	4,452,478	108 4 %	(75,567,000)
Transfer to Municipal Revenue Sharing	(15,361,091)	(13,769,420)	(1,591,671)	(11 6)%	(49,674,631)	(46,843,312)	(2,831,319)	(6 0)%	(127,745,420)
Other Taxes and Fees	20,516,793	8,418,704	12,098,089	143 7 %	47,557,506	48,586,544	(1,029,038)	(2 1)%	134,284,714
Other Revenues	(4,545,620)	(7,167,081)	2,621,461	36 6 %	(14,179,511)	(17,416,569)	3,237,058	18 6 %	19,317,074
Total Collected	\$ 366,436,368	\$ 288,223,487	\$ 78,212,881	27 1 %	\$ 1,387,041,222	\$ 1,240,745,528	\$ 146,295,694	11 8 %	\$ 3,542,469,973

NOTES:

(1) Included in the above is \$15,361,091 for the month and \$49,674,631 year to date, that was set aside for Revenue Sharing with cities and towns.

(2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in August 2020, laws enacted through the end of the 129th Legislature, 2nd Regular Session for all laws and any emergency laws.

(3) The Fiscal Year to Date figures above include adjustments of (\$257,992,054) for Individual Income Tax and (\$46,788,400) for Corporate Income Tax to reflect the reversal of amounts accrued in April and June for which collections were deferred until July 15th in response to the COVID-19 pandemic.

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

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2020 and 2019

For the Fiscal Year Ending June 30, 2021 and 2020

Comparison to To Prior Year

Exhibit II

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Sales and Use Tax	\$ 159,213,562	\$ 149,179,583	\$ 10,033,979	6 7 %	\$ 629,091,478	\$ 623,545,982	\$ 5,545,497	0 9 %
Service Provider Tax	4,609,279	4,472,832	136,447	3 1 %	18,584,183	19,420,828	(836,645)	(4 3)%
Individual Income Tax	159,821,355	145,540,731	14,280,625	9 8 %	589,706,899	592,056,618	(2,349,719)	(0 4)%
Corporate Income Tax	8,657,899	9,790,420	(1,132,521)	(11 6)%	69,852,270	71,099,297	(1,247,027)	(1 8)%
Cigarette and Tobacco Tax	9,544,807	14,689,073	(5,144,267)	(35 0)%	49,266,813	49,451,929	(185,116)	(0 4)%
Insurance Companies Tax	7,421,242	8,959,727	(1,538,486)	(17 2)%	8,110,260	8,899,693	(789,433)	(8 9)%
Estate Tax	9,357,370	3,112,229	6,245,141	200 7 %	10,898,854	12,299,391	(1,400,537)	(11 4)%
Fines, Forfeits & Penalties	559,987	1,134,783	(574,796)	(50 7)%	3,193,901	4,916,058	(1,722,156)	(35 0)%
Income from Investments	436,176	1,278,411	(842,235)	(65 9)%	1,373,063	3,927,366	(2,554,303)	(65 0)%
Transfer from Lottery Commission	5,891,358	4,210,132	1,681,226	39 9 %	22,915,077	19,384,778	3,530,299	18 2 %
Transfers for Tax Relief Programs	313,251	(2,143,942)	2,457,193	114 6 %	345,060	(6,178,835)	6,523,895	105 6 %
Transfer to Municipal Revenue Sharing	(15,361,091)	(12,144,130)	(3,216,961)	(26 5)%	(49,674,631)	(40,044,361)	(9,630,270)	(24 0)%
Other Taxes and Fees	20,516,793	16,956,955	3,559,838	21 0 %	47,557,506	49,200,953	(1,643,446)	(3 3)%
Other Revenues	(4,545,620)	(8,573,756)	4,028,136	47 0 %	(14,179,511)	(16,529,058)	2,349,547	14 2 %
Total Collected	\$ 366,436,368	\$ 336,463,049	\$ 29,973,319	8 9 %	\$ 1,387,041,222	\$ 1,391,450,637	\$ (4,409,415)	(0 3)%

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2020

For the Fiscal Year Ending June 30, 2021

All Other Comparison to Budget

Exhibit III

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2021
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
<u>Detail of Other Taxes & Fees</u>									
0100s All Others	\$ 15,159,939	\$ 2,134,642	\$ 13,025,297	610 2 %	\$ 17,151,523	\$ 16,258,898	\$ 892,625	5 5 %	\$ 33,186,133
0300s Aeronautical Gas Tax	21,948	23,018	(1,070)	(4 6)%	90,840	95,315	(4,475)	(4 7)%	243,276
0400s Alcohol Excise Tax	346,456	1,541,977	(1,195,521)	(77 5)%	4,600,493	6,864,682	(2,264,189)	(33 0)%	18,412,786
0700s Corporation Taxes	314,648	268,972	45,676	17 0 %	3,080,062	2,589,188	490,874	19 0 %	9,938,649
0800s Public Utilities	(1,716)	-	(1,716)	- %	(1,716)	-	(1,716)	- %	5,715,000
1000s Banking Taxes	1,958,250	2,299,749	(341,499)	(14 8)%	7,852,500	9,198,994	(1,346,494)	(14 6)%	27,916,990
1100s Alcoholic Beverages	475,866	453,528	22,338	4 9 %	2,006,739	1,984,207	22,532	1 1 %	5,881,038
1200s Amusements Tax	1,000	9,167	(8,167)	(89 1)%	3,000	36,668	(33,668)	(91 8)%	110,000
1300s Harness Racing Pari-mutuel	563,664	281,486	282,178	100 2 %	2,002,997	1,062,657	940,340	88 5 %	3,055,726
1400s Business Taxes	232,938	346,906	(113,968)	(32 9)%	2,800,146	2,352,565	447,581	19 0 %	9,299,336
1500s Motor Vehicle Licenses	246,851	198,649	48,202	24 3 %	1,489,064	1,957,993	(468,929)	(23 9)%	3,870,450
1700s Inland Fisheries & Wildlife	1,156,359	794,660	361,699	45 5 %	6,317,728	5,977,804	339,924	5 7 %	15,986,716
1900s Other Licenses	40,591	65,950	(25,359)	(38 5)%	164,130	207,573	(43,443)	(20 9)%	668,614
Total Other Taxes & Fees	\$ 20,516,793	\$ 8,418,704	\$ 12,098,089	143 7 %	\$ 47,557,506	\$ 48,586,544	\$ (1,029,038)	(2 1)%	\$ 134,284,714
<u>Detail of Other Revenues</u>									
2200s Federal Revenues	\$ -	\$ 11,250	\$ (11,250)	(100 0)%	\$ 43,819	\$ 45,002	\$ (1,183)	(2 6)%	\$ 135,000
2300s County Revenues	-	-	-	- %	-	-	-	- %	-
2400s Revenues from Cities and Towns	3,781	1,163	2,618	225 1 %	113,680	80,479	33,201	41 3 %	277,996
2500s Revenues from Private Sources	161,782	220,371	(58,589)	(26 6)%	986,111	953,572	32,539	3 4 %	1,970,800
2600s Current Service Charges	2,148,711	2,004,940	143,771	7 2 %	8,659,058	7,735,599	923,459	11 9 %	24,866,660
2700s Transfers from (to) Other Funds	(6,859,894)	(9,408,792)	2,548,898	27 1 %	(23,994,039)	(26,266,131)	2,272,092	8 7 %	(8,074,482)
2800s Sales of Property & Equipment	-	3,987	(3,987)	(100 0)%	11,860	34,910	(23,050)	(66 0)%	141,100
Total Other Revenues	\$ (4,545,620)	\$ (7,167,081)	\$ 2,621,461	36 6 %	\$ (14,179,511)	\$ (17,416,569)	\$ 3,237,058	18 6 %	\$ 19,317,074

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2020 and 2019

For the Fiscal Year Ending June 30, 2021 and 2020

All Other Comparison to To Prior Year

Exhibit IV

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
<u>Detail of Other Taxes & Fees</u>								
0100s All Others	\$ 15,159,939	\$ 9,872,357	\$ 5,287,582	53 6 %	\$ 17,151,523	\$ 15,485,758	\$ 1,665,765	10 8 %
0300s Aeronautical Gas Tax	21,948	50,675	(28,727)	(56 7)%	90,840	102,140	(11,299)	(11 1)%
0400s Alcohol Excise Tax	346,456	1,554,258	(1,207,803)	(77 7)%	4,600,493	7,275,702	(2,675,209)	(36 8)%
0700s Corporation Taxes	314,648	313,481	1,167	0 4 %	3,080,062	2,537,677	542,384	21 4 %
0800s Public Utilities	(1,716)	95,572	(97,288)	(101 8)%	(1,716)	99,724	(101,440)	(101 7)%
1000s Banking Taxes	1,958,250	2,155,050	(196,800)	(9 1)%	7,852,500	8,510,650	(658,150)	(7 7)%
1100s Alcoholic Beverages	475,866	669,640	(193,774)	(28 9)%	2,006,739	2,305,251	(298,512)	(12 9)%
1200s Amusements Tax	1,000	-	1,000	- %	3,000	-	3,000	- %
1300s Harness Racing Pari-mutuel	563,664	766,681	(203,018)	(26 5)%	2,002,997	3,231,708	(1,228,711)	(38 0)%
1400s Business Taxes	232,938	223,509	9,430	4 2 %	2,800,146	1,675,289	1,124,857	67 1 %
1500s Motor Vehicle Licenses	246,851	324,673	(77,822)	(24 0)%	1,489,064	1,530,829	(41,765)	(2 7)%
1700s Inland Fisheries & Wildlife	1,156,359	858,153	298,206	34 7 %	6,317,728	6,230,046	87,682	1 4 %
1900s Other Licenses	40,591	72,906	(32,315)	(44 3)%	164,130	216,178	(52,048)	(24 1)%
Total Other Taxes & Fees	\$ 20,516,793	\$ 16,956,955	\$ 3,559,838	21 0 %	\$ 47,557,506	\$ 49,200,953	\$ (1,643,446)	(3 3)%
<u>Detail of Other Revenues</u>								
2200s Federal Revenues	\$ -	\$ 34,445	\$ (34,445)	(100 0)%	\$ 43,819	\$ 35,350	\$ 8,468	24 0 %
2300s County Revenues	-	-	-	- %	-	-	-	- %
2400s Revenues from Cities and Towns	3,781	5,542	(1,761)	(31 8)%	113,680	88,279	25,401	28 8 %
2500s Revenues from Private Sources	161,782	145,544	16,238	11 2 %	986,111	634,334	351,777	55 5 %
2600s Current Service Charges	2,148,711	2,392,047	(243,336)	(10 2)%	8,659,058	10,198,523	(1,539,466)	(15 1)%
2700s Transfers from (to) Other Funds	(6,859,894)	(11,178,642)	4,318,748	38 6 %	(23,994,039)	(27,536,486)	3,542,447	12 9 %
2800s Sales of Property & Equipment	-	27,307	(27,307)	(100 0)%	11,860	50,942	(39,081)	(76 7)%
Total Other Revenues	\$ (4,545,620)	\$ (8,573,756)	\$ 4,028,136	47 0 %	\$ (14,179,511)	\$ (16,529,058)	\$ 2,349,547	14 2 %

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE

Undedicated Revenues - Highway Fund

For the Fourth Month Ended October 31, 2020

For the Fiscal Year Ending June 30, 2021

Comparison to Budget

Exhibit V

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2021
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 18,678,730	\$ 18,496,646	\$ 182,084	1 0 %	\$ 75,204,381	\$ 71,621,519	\$ 3,582,862	5 0 %	\$ 207,519,747
Motor Vehicle Registration & Fees	10,225,176	9,082,101	1,143,075	12 6 %	37,109,085	32,616,740	4,492,345	13 8 %	90,815,021
Motor Vehicle Inspection Fees	237,085	204,646	32,439	15 9 %	840,745	950,960	(110,216)	(11 6)%	3,202,500
Miscellaneous Taxes & Fees	112,341	118,315	(5,975)	(5 0)%	553,058	509,919	43,139	8 5 %	1,377,454
Fines, Forfeits & Penalties	132,751	59,329	73,422	123 8 %	312,856	180,518	132,338	73 3 %	517,867
Earnings on Investments	22,884	2,236	20,648	923 4 %	64,878	(4,999)	69,877	1,397 8 %	63,394
All Other	515,480	535,095	(19,615)	(3 7)%	2,074,283	5,494,676	(3,420,393)	(62 2)%	9,741,159
Total Collected	\$ 29,924,447	\$ 28,498,368	\$ 1,426,079	5 0 %	\$ 116,159,286	\$ 111,369,333	\$ 4,789,953	4 3 %	\$ 313,237,142

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE

Undedicated Revenues - Highway Fund

For the Fourth Month Ended October 31, 2020 and 2019

For the Fiscal Year Ending June 30, 2021 and 2020

Comparison to To Prior Year

Exhibit VI

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 18,678,730	\$ 16,036,297	\$ 2,642,434	16 5 %	\$ 75,204,381	\$ 83,987,758	\$ (8,783,377)	(10 5)%
Motor Vehicle Registration & Fees	10,225,176	9,264,992	960,184	10 4 %	37,109,085	34,114,197	2,994,888	8 8 %
Motor Vehicle Inspection Fees	237,085	218,005	19,080	8 8 %	840,745	984,126	(143,381)	(14 6)%
Miscellaneous Taxes & Fees	112,341	117,128	(4,788)	(4 1)%	553,058	505,852	47,207	9 3 %
Fines, Forfeits & Penalties	132,751	69,923	62,828	89 9 %	312,856	243,050	69,805	28 7 %
Earnings on Investments	22,884	29,502	(6,619)	(22 4)%	64,878	202,392	(137,513)	(67 9)%
All Other	515,480	513,858	1,622	0 3 %	2,074,283	2,056,049	18,233	0 9 %
Total Collected	\$ 29,924,447	\$ 26,249,705	\$ 3,674,742	14 0 %	\$ 116,159,286	\$ 122,093,423	\$ (5,934,138)	(4 9)%

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

MRS Office of Tax Policy
Presentation for
November 2020 Revenue
Forecast

Sales & Use Tax

Sales & Use Tax: Annual Growth and Forecast Revision

Fiscal Year	Actual	March Forecast	August Forecast	November Forecast	Nov. Forecast Relative to March (\$million)	Nov. Forecast Relative to August (\$million)
2017-18	6.5%					
2018-19	5.6%					
2019-20	3.5%	7.6%				
2020-21		4.8%	-6.3%	2.4%	-\$101.5	\$136.5
2021-22		4.6%	11.2%	7.5%	-\$59.8	\$92.1
2022-23		4.0%	5.6%	4.6%	-\$51.3	\$80
2023-24				3.7%		
2024-25				3.0%		

Sales Tax: Main Points from August Forecast

- Prepared foods and lodging taxes account for about 2/3 of both the negative variance in FY 2020 sales and use tax and $\approx 60\%$ of the FY 21 forecast revision to sales and use tax.
 - Lodging sales stronger than anticipated: +\$14.4 million variance through September sales, recommend +\$21.6 million revision for FY 21
 - Prepared food: +\$7.5 million variance to date, over half from September sales
- Excluding prepared food and lodging, non-marketplace taxable sales are close to flat YoY for April – June sales.
 - April – June: -1.2%
 - April – Sept: +1.7% (+6% YoY with marketplace)

Sales Tax: Main Points from August Forecast

- Auto sales tax revenue forecast declines faster than overall sales ex-meals and lodging in FY 21 due to CEFC forecast of new registrations.
 - CEFC revised forecast for new auto registrations in 2020 from -27.9% to -11.8%
 - Auto sales very strong sales growth July - September
 - Auto sales contribute \$42 million to FY 21 forecast revision
- The change to both the personal income and savings rate forecasts reduce forecast revenue from PCE; the employment forecast reduces forecast of revenue from business purchases.
 - Current forecast: Personal income * (1 – personal savings rate) declines 3% in 2020, declines 4.5% in previous forecast
- Unusually large uncertainty on both upside and downside.

Sales Tax: Main Points for November Forecast

- Sales and use tax has a positive variance of \$53.5 million through October and we expect a November variance of over \$20 million.
- Auto and lodging sales tax upward revisions are particularly important.
- CEFC forecast revisions increase the revenue forecast.
- Technical revisions increase the revenue forecast.
 - Calendar year-fiscal year split issues
 - Attempts to better account for changes in the consumption bundle
 - Corrected error in which savings rate forecast to use
- The forecast assumes YoY revenue growth slows over the coming months.

Sales Tax: Recent History

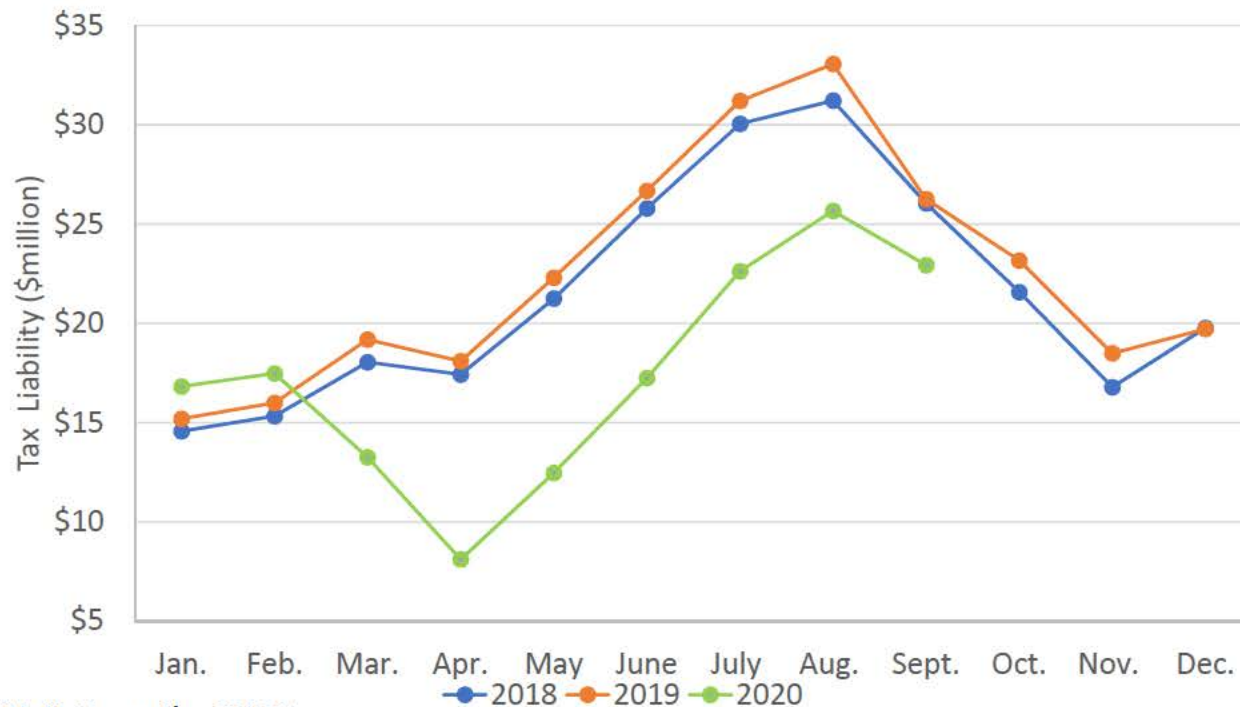
Fiscal Year 2021 Sales & Use Tax YoY Revenue Growth:

April	May	June	July	August	Sept.	October
-6.9%	-16.1%	-6.4%	-0.1%	-1.8%	-0.9%	6.7%

- November 2020 revenue through 11/19/20 is 2.1% above November 2019 revenue.
- The following slides show taxable sales on returns processed by 10th day of second month following the end of the account period.

Prepared Foods Sales Tax

Includes sales at both restaurants and food stores



CY 2019 liability = \$269.4 million

Share of total CY 2019 sales & use tax = 17.5%

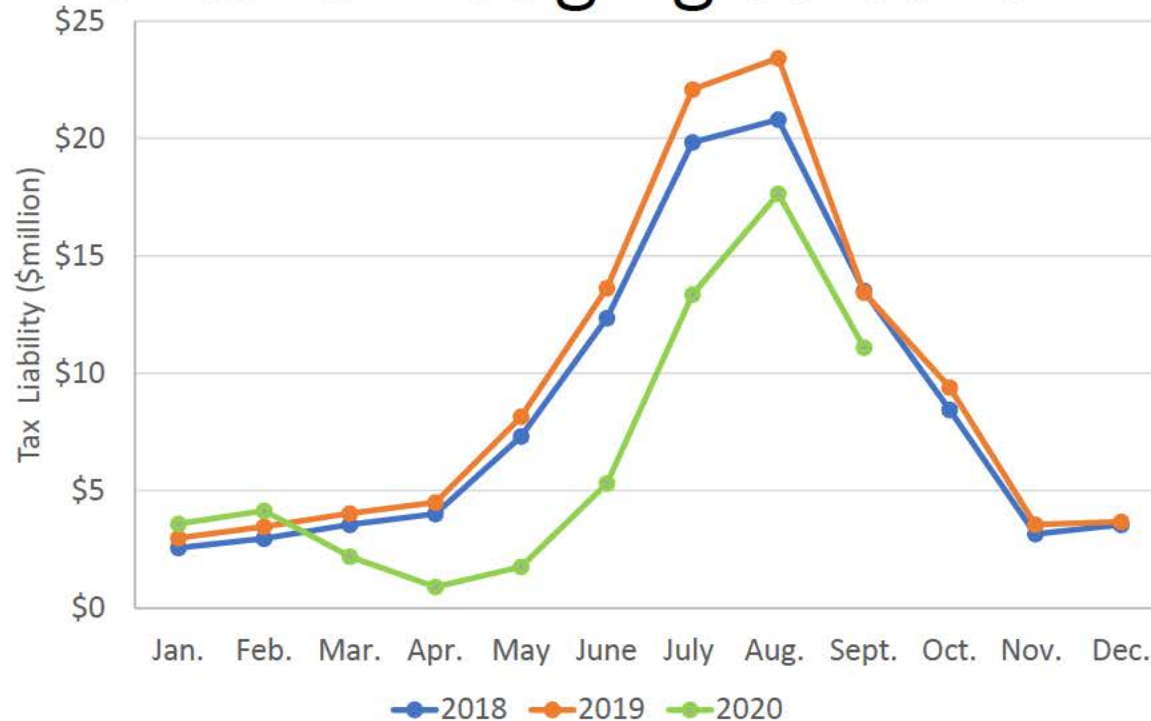
CY 2019 Share of Taxable Sales by Quarter:

1	18.7%
2	24.9%
3	33.6%
4	22.8%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
5.4%	-30.9%	-55.2%	-44.1%	-35.4%	-27.5%	-22.4%	-12.6%	-40.8%	-21.3%

Rental of Lodging Sales Tax



CY 2019 liability = \$112.3 million

Share of total CY 2019 sales & use tax = 7.3%

CY 2019 Share of Taxable Sales by Quarter:

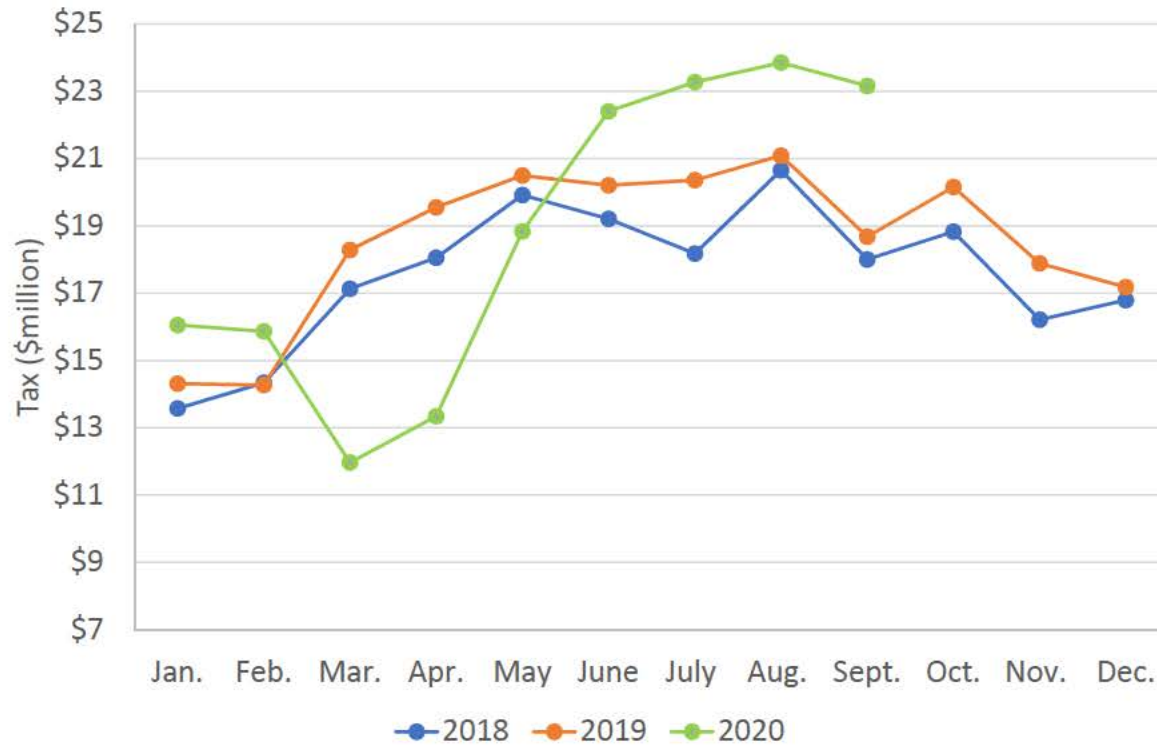
1	9.3%
2	23.4%
3	52.5%
4	14.8%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
10.0%	-45.6%	-80.2%	-78.5%	-61.1%	-39.5%	-24.7%	-17.5%	-66.5%	-28.6%

Auto Dealer & Lease Sales Tax

Includes use tax paid on auto sales



CY 2019 liability = \$222.5 million

Share of total CY 2019 sales & use tax = 14.5%

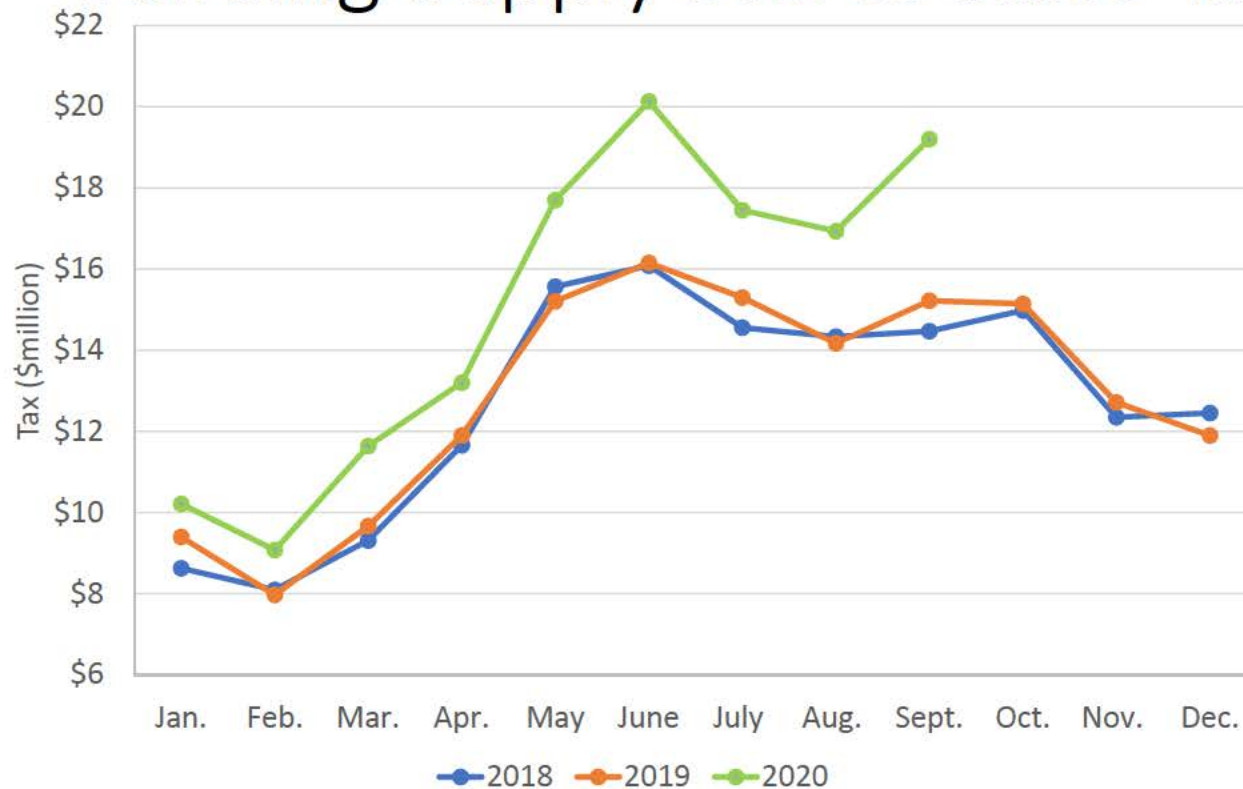
CY 2019 Share of Taxable Sales by Quarter:

1	21.1%
2	27.1%
3	27.0%
4	24.8%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
7.3%	-34.6%	-31.7%	-8.1%	10.9%	14.3%	13.1%	24.0%	-15.3%	16.9%

Building Supply Stores Sales Tax



CY 2019 liability = \$154.7 million

Share of total CY 2019 sales & use tax = 10.1%

CY 2019 Share of Taxable Sales by Quarter:

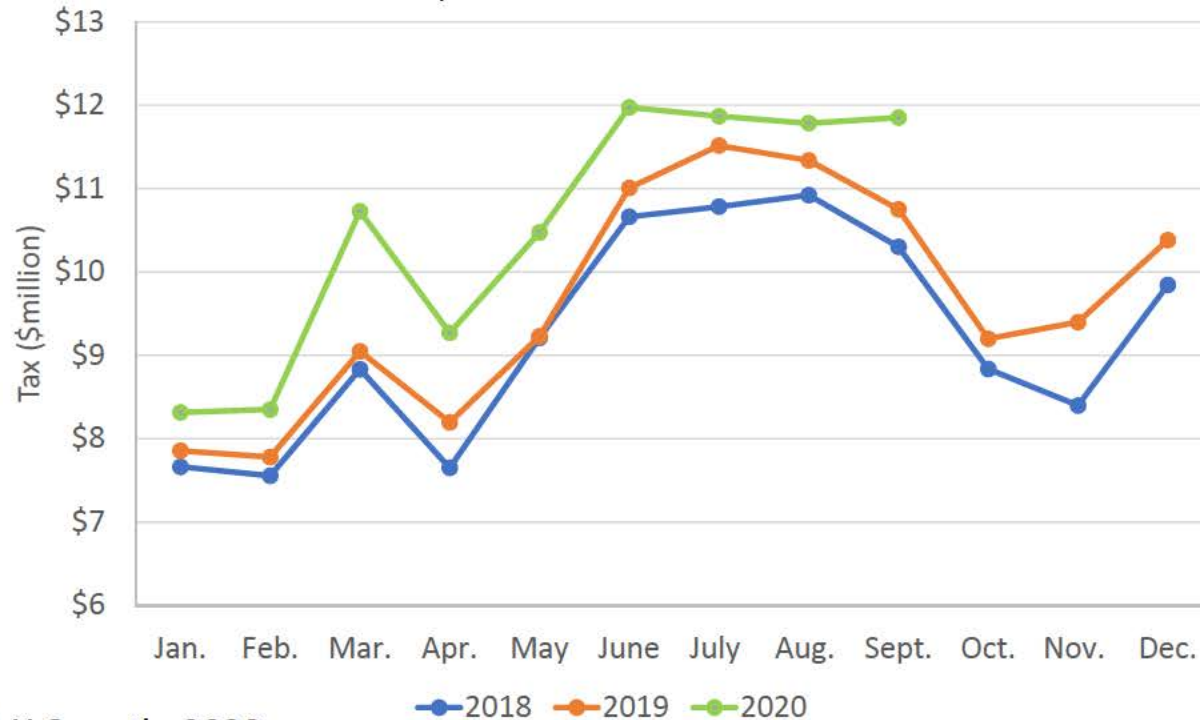
1	17.5%
2	28.0%
3	28.9%
4	25.7%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
3.2%	20.4%	10.9%	16.4%	24.6%	14.1%	19.5%	26.2%	18.4%	19.9%

Food Store Sales Tax

Sales taxed at 5.5% only



CY 2019 liability = \$115.7 million

Share of total CY 2019 sales & use tax = 7.5%

CY 2019 Share of Taxable Sales by Quarter:

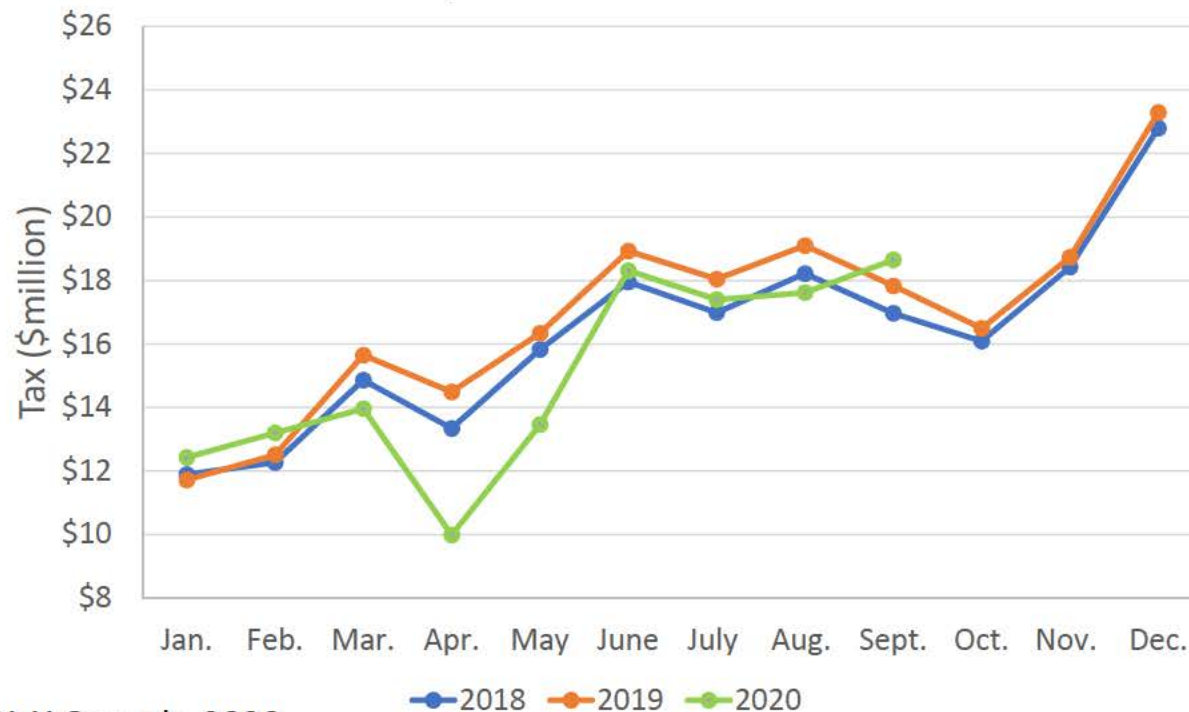
1	21.3%
2	24.6%
3	29.0%
4	25.0%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
6.1%	18.6%	13.1%	13.5%	8.8%	3.1%	3.9%	10.2%	13.2%	5.7%

General Merchandise Sales Tax

Sales taxed at 5.5% only



CY 2019 liability = \$203.1 million

Share of total CY 2019 sales & use tax = 13.2%

CY 2019 Share of Taxable Sales by Quarter:

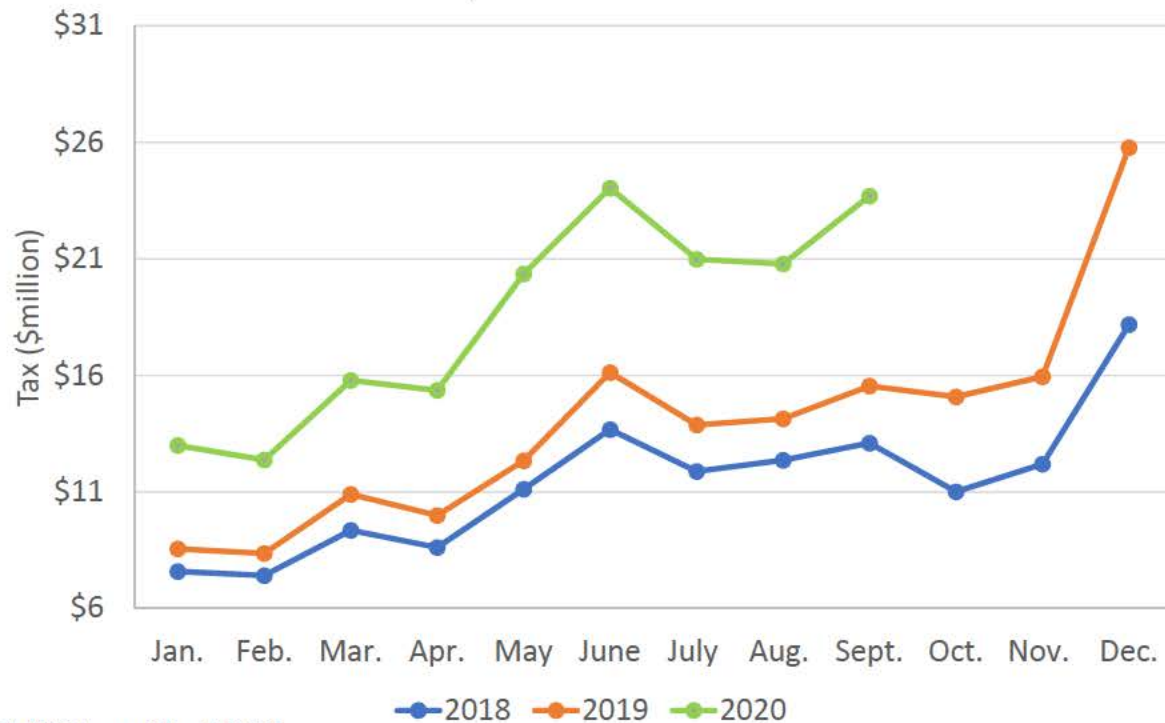
1	19.6%
2	24.5%
3	27.1%
4	28.8%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
4.0%	-10.8%	-31.1%	-17.6%	-3.3%	-3.6%	-7.7%	4.6%	-14.8%	-2.4%

Other Retail

Sales taxed at 5.5% only



CY 2019 liability = \$166.7 million

Share of total CY 2019 sales & use tax = 10.8%

CY 2018 Share of Taxable Sales by Quarter:

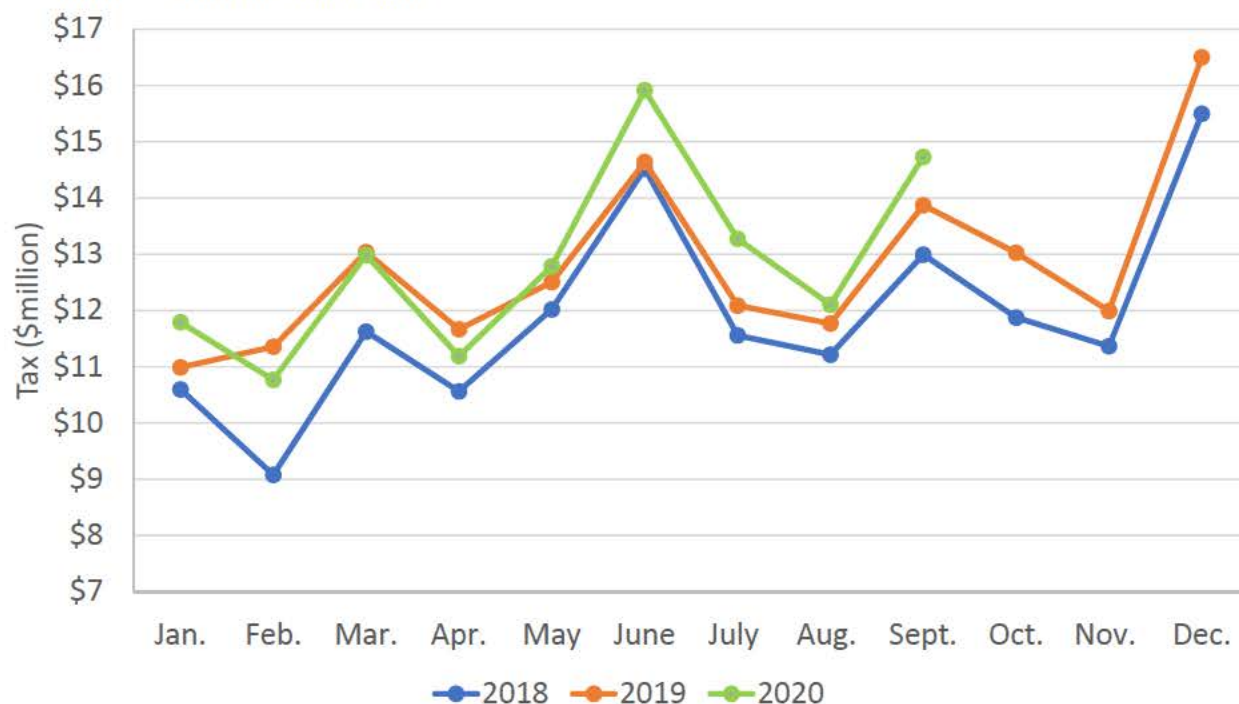
1	17.8%
2	24.5%
3	27.4%
4	30.3%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
31.5%	44.8%	53.7%	64.9%	49.1%	51.2%	47.0%	52.5%	53.0%	50.3%

Business Operations and Use Tax

Excludes individual use tax and use tax paid on auto, watercraft, and recreational vehicle sales



CY 2019 liability = \$153.5 million

Share of total CY 2019 sales & use tax = 10%

CY 2019 Share of Taxable Sales by Quarter:

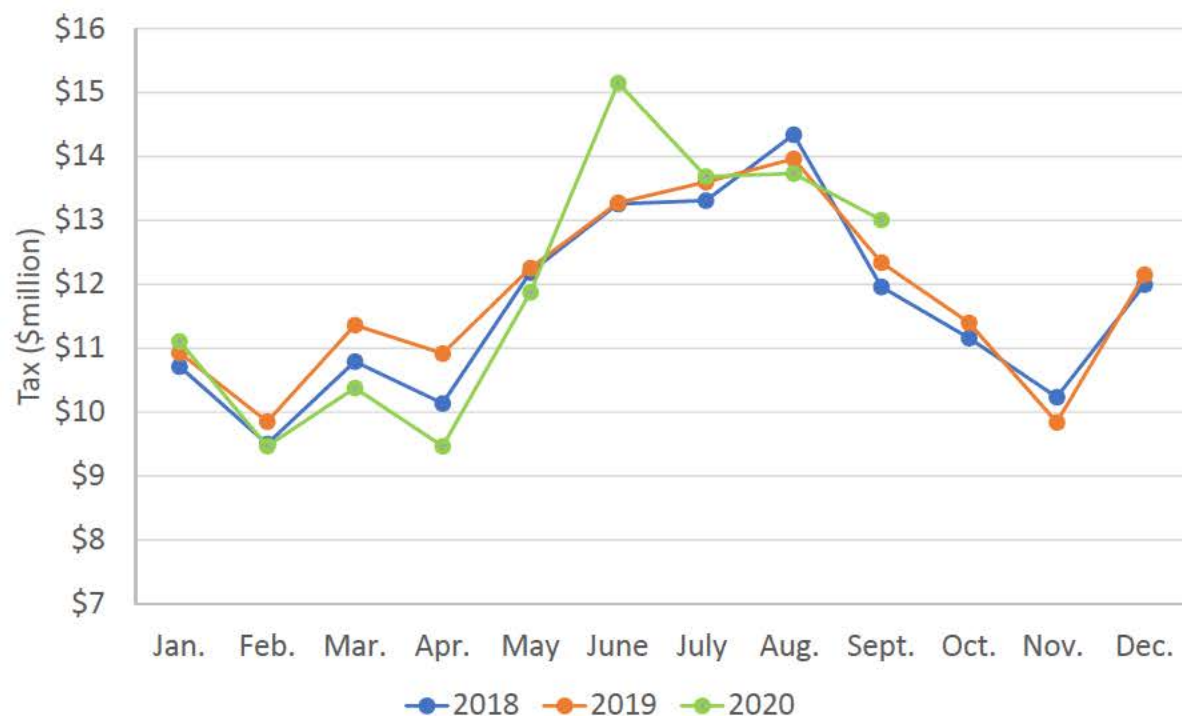
1	23.1%
2	25.3%
3	24.6%
4	27.1%

YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
5.1%	-0.4%	-4.1%	2.3%	8.7%	9.8%	2.8%	6.2%	2.0%	6.3%

Miscellaneous: All other 5.5% tax

utilities, auto except dealer & lease, restaurant & lodging 5.5%



YoY Growth, 2020

July 19 – Feb.20	Mar.	April	May	June	July	August	Sept.	Mar. – June	July-Sept.
0.1%	-8.7%	-13.3%	-3.1%	14.1%	0.6%	-1.7%	5.4%	-2.0%	1.3%

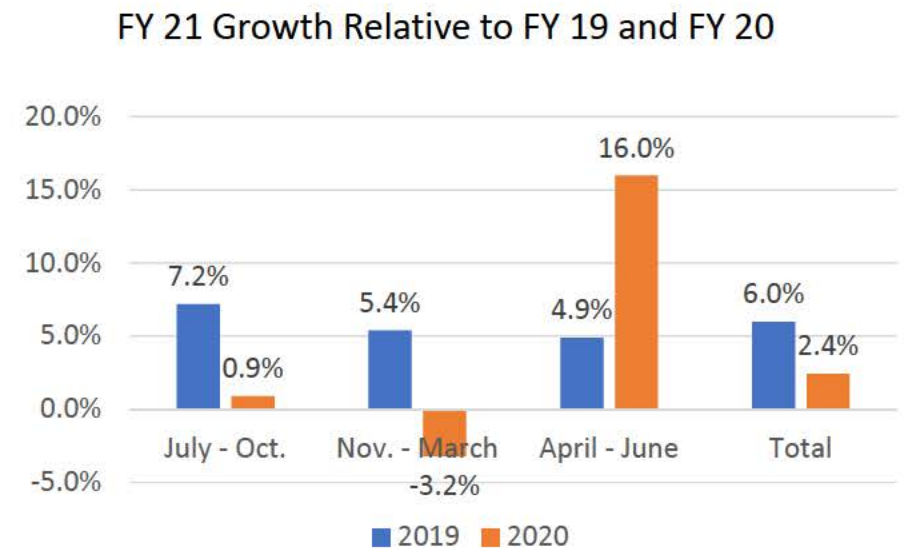
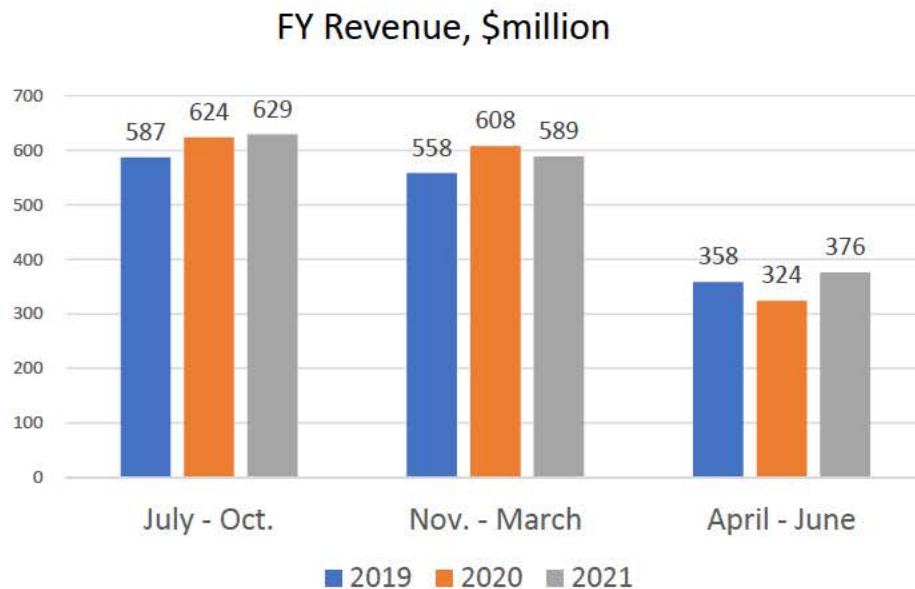
CY 2019 liability = \$141.9 million

Share of total CY 2019 sales & use tax = 9.2%

CY 2019 Share of Taxable Sales by Quarter:

1	22.7%
2	25.7%
3	28.1%
4	23.5%

Fiscal Year 2021 Sales & Use Tax Forecast Compared to Recent History



FY 21 July – October are actuals and November – June are forecast.

Individual Income Tax

Individual Income Tax: Annual Growth and Forecast Revision

Fiscal Year	Actual	March Forecast	August Forecast	November Forecast	Nov. Forecast Relative to March	Nov. Forecast Relative to August
2017-18	6.5%					
2018-19	5.6%					
2019-20*	7.9%	7.6%				
2020-21		4.8%	-13.5%	-7.6%	-\$152.9	\$107.4
2021-22		4.6%	3.4%	3.4%	-\$172.3	\$110.9
2022-23		4.0%	2.8%	4.6%	-\$172.9	\$144.7
2023-24				5.1%		
2024-25				5.3%		

Dollar values in millions. *Without 1040 estimated and final payment accruals FY 20 growth would have been -14.1% and FY 21 growth would be forecast to be 17%.

Individual Income Tax: Main Points from August Forecast

- Timing issues related to filing and payment deadline delays and accruals of delayed payments increase FY 2020 revenue and reduce FY 2021 revenue.
- The evolution of wage income and unemployment insurance compensation are key to understanding why the downward forecast revision grows over time.
 - The wage income forecast has increased significantly from the July CEFC forecast and is the major contributor to the recommended revenue revision.
- Business income and capital gains contribute to the downward revisions. The relatively strong stock market performance YTD and the effect of the PPP on business income reduce the magnitude of these forecast revisions compared to what otherwise may be expected given economic conditions.
 - We recommend relatively minor positive adjustments to business income and capital gains growth rates and capital gains. For the tax liability revision, the higher growth rates are mostly offset by starting from a lower 2019 base than previously assumed.
- A decline in IRA distributions due to the suspension of required minimum distributions in 2020 reduces FY 2021 revenue.

Individual Income Tax: Main Reasons for Recommended Revision to Current Forecast

- FY 21 variance in final payments and refunds
- Increase in tax liability forecast for 2020 and beyond
 - CEFC wage forecast is, by far, the most important factor
 - Business income and capital gains growth rates slightly higher
 - Reduce 2020 Opportunity Maine Credit forecast

Tax Year	Change to Resident Liability Forecast, \$million
2020	\$54
2021	\$80
2022	\$106
2023	\$132

Individual Income Tax: Withholding, 2019 v. 2020

(\$million)

Calendar Year	2019	2020	Growth
Jan. - Feb.	\$257.1	\$277.2	7.8%
March - June	\$473.9	\$503.6	6.3%
July-Oct.	\$476.9	\$514.3	7.8%
Year to date	\$1,207.9	\$1,295.1	7.2%

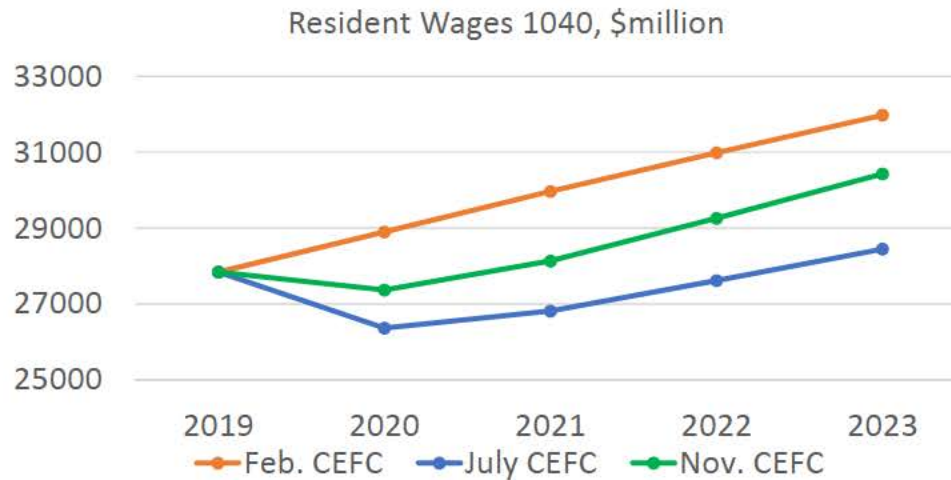
*Without unemployment insurance withholding, January – October withholding would have increased approximately 3% and March – October withholding would have increased approximately 1.7%.

Individual Income Tax: Estimated Payments, 2019 v. 2020

(\$million)

	2019	2020	Growth
Feb. - July	\$127.2	\$119.9	-5.8%
August - Oct.	\$87.5	\$101.6	16.2%
Year to date	\$214.7	\$221.5	3.2%

Individual Income Tax: Resident 1040 Wages

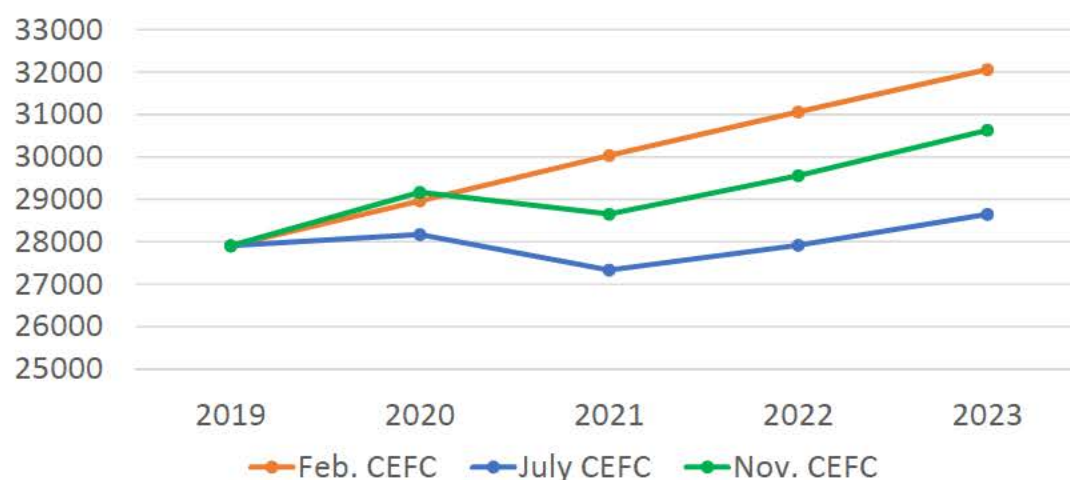


	2020	2021	2022	2023
February CEFC, annual change	4.1%	3.7%	3.4%	3.2%
July CEFC, annual change	-5%	2%	3%	3%
Nov. CEFC, annual change	-1.5%	3%	4%	4%
July wages relative to Feb.	-8.7%	-10.2%	-10.6%	-10.8%
Nov. wages relative to Feb	-5.4%	-6%	-5.5%	-4.7%
Nov. wages relative to July	3.7%	4.7%	5.7%	6.7%

Relative wages based on the same 2019 starting point and growth rates for 2020 and later years.

Individual Income Tax: Resident 1040 Wages + Unemployment Insurance Income

(\$million)



	2020	2021	2022	2023
June wages relative to Feb.	-8.7%	-10.2%	-10.5%	-10.7%
July wages + UI relative to Feb.	-2.7%	-9%	-10.1%	-10.6%
Nov. wages + UI relative to Feb.	.7%	-4.6%	-4.8%	-4.5%
Nov. wages + UI relative to July	3.5%	4.8%	5.9%	6.9%

Individual Income Tax: Effect of Wage Revision on Liability

Tax Year	Decrease in Nov. Resident Liability Forecast if Used Wage Growth Assumptions For August RFC (\$million)
2019	\$4.5
2020	\$69.6
2021	\$89.6
2022	\$111.2
2023	\$134.5

Note: 2019 wage growth was also revised upward since the July CEFC.

Individual income tax: Capital Gains

	2019	2020	2021	2022	2023
Annual growth:					
March RFC	10.2%	-1.9%	-5.5%	-3.2%	-1.3%
August RFC	10.2%	-13.1%	-10%	3.2%	3.6%
November RFC	3.2%	-5.1%	-3.2%	3.9%	3.9%
November resident capital gains liability:					
Relative to March RFC	-\$15.5	-\$22.1	-\$15.3	-\$3.2	\$5.6
Relative to August RFC	-\$15.4	\$.2	\$11.4	\$12.7	\$13.7

CBO Capital Gains Forecast, September 2020

- 20% decline in 2020
- Capital gains does not return to 2019 (nominal) level until 2029

Individual Income Tax: Opportunity Maine

- Federal loan forbearance extended through end of year.
- In August forecast, reduced 2020 Opportunity Maine credit by \$5 million.
- For current forecast, recommend \$13 million reduction relative to March forecast (\$36.7 million)
 - Extension
 - Probably underestimated impact in August
- Significant uncertainty around this adjustment
 - Taxpayer behavior
 - Share of credit-eligible loan payments that are eligible for forbearance

Individual Income Tax: Resident Liability Growth Forecast

Tax Year	Liability before refundable credits	Liability after refundable credits
2020	2.6%	1.4%
2021	-0.8%	-1.8%
2022	4.6%	4.7%
2023	4.9%	5.0%
2024	5.1%	5.3%
2025	5.4%	5.6%

Corporate Income Tax

Corporate Income Tax: Annual Growth and Forecast Revision

Fiscal Year	Actual	March Baseline	August Forecast	Nov. Forecast	Nov. Forecast Relative to March	Nov. Forecast Relative to August
2017-18	6.0%					
2018-19	36.1%					
2019-20	-14.5%	-14.1%				
2020-21		-2.6%	-18.2%	-6.1%	-\$8.7	+\$26
2021-22		.1%	4.0%	8.7%	+\$8.7	+\$36.5
2022-23		1.5%	4.1%	3.6%	+\$13.4	+\$37
2022-24				2.6%		
2022-25				2.7%		

Corporate Income Tax: CEFC Before-Tax Corporate Profits Forecast

	2020	2021	2022	2023
July annual growth	-30.0%	10.0%	3.7%	2.7%
November annual growth	0.6%	10.0%	3.7%	2.7%
November relative to July	43.7%	43.7%	43.7%	43.7%

Other General Fund Taxes

Real estate transfer tax

Significant upward revisions to the CEFC forecast of home prices and sales

	Home price, existing median			Home sales, existing single-family	
	July Forecast	October Forecast		July Forecast	October Forecast
2020	5.8%	11.5%		-7.1%	19.3%
2021	0.5%	6.1%		-2.6%	-10.8%
2022	4.0%	3.2%		10.7%	-6.4%
2023	5.9%	5.3%		12.7%	5.2%

Real estate transfer tax

- Strong revenue growth and positive variance fiscal year to date
 - Total RETT revenue up 17.4% January-October, 14% July – October
 - General Fund variance \$1.4 million FYTD and growing
 - November revenue already significantly above budget and last year's revenue

Forecast Growth Rates of Total RETT Revenue and Proposed General Fund Revision:

	Calendar Year	Fiscal Year	Proposed revision to GF FY Revenue
2020	24.3%	12.9%	
2021	4.5%	17.9%	\$5,245,000
2022	2.2%	2.9%	\$4,186,000
2023	6.1%	3.8%	\$3,142,000
2024	4.3%	5.4%	
2025	2.8%	3.7%	

Estate Tax

Revision to Estate Tax Forecast, Fiscal Year

2021	2022	2023
\$6,000,000	\$500,000	\$1,300,000

- \$9.4 million revenue in October 2020 is main explanation for FY 21 forecast revision.
- Highest monthly revenue, last 3 fiscal years:
 - FY 18 \$2.1 million
 - FY 19 \$7.44 million
 - FY 20 \$5.9 million

Other General Fund

- Service provider tax
- Cigarette, tobacco, and marijuana excise tax
- Telecommunications excise tax
- Insurance companies tax
- Container fee
- BETR

General Fund Wrap Up: Revenue Relative to March 2020 Forecast

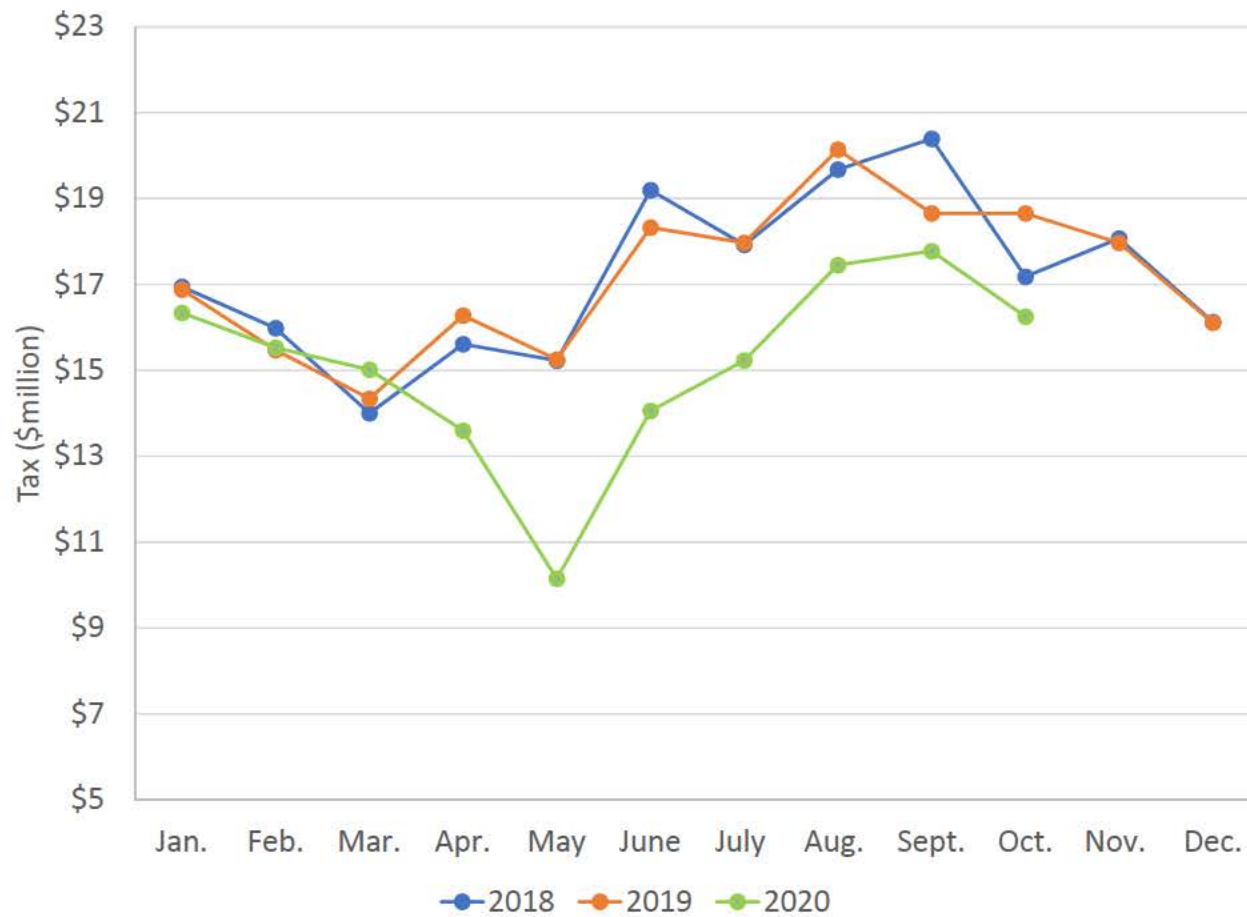
		FY 2021			FY 2020 + FY 2021			FY 2022	
	FY 2020	August Forecast	November Forecast		August Forecast	November Forecast		August Forecast	November Forecast
Sales & Use	-3.8%	-14.0%	-6.0%		-9.1%	-4.9%		-8.6%	-3.4%
SPT	1.8%	1.8%	0.2%		1.8%	1.0%		1.8%	-0.2%
Individual Income	1.4%	-14.1%	-8.3%		-6.4%	-3.5%		-14.7%	-8.9%
Corporate Income	-0.5%	-16.4%	-4.1%		-8.4%	-2.3%		-13.1%	4.1%
Cig & Tobacco	-3.0%	-3.2%	-3.3%		-3.1%	-3.2%		-2.1%	-0.8%
Total	-1.1%	-13.6%	-6.8%		-7.4%	-4.0%		-11.3%	-5.5%

Motor Fuels Taxes

Gas Tax: Annual Growth and Proposed Forecast Change

Fiscal Year	Actual	March Forecast	August Forecast	November Forecast	Revision Relative to March (\$million)	Revision Relative to August (\$million)
2017-18	2.4%					
2018-19	-.2%					
2019-20	-5.7%	1.3%				
2020-21		1%	-6.3%	-2.1%	-\$20.5	+\$8.1
2021-22		1%	11.2%	7.4%	-\$8.5	+\$3.8
2022-23		1%	5.6%	2.3%	-\$6	+\$6.6
2023-24				1.0%		
2024-25				1.0%		

Gas Tax



YoY Revenue Growth, 2020	
July 19 – March 20	.2%
April	-16.5%
May	-33.5%
June (w/o accruals)	-22.4%
July	-15.2%
August	-13.3%
Sept. – Oct.	-8.8%

Gas Tax

- \$3.3 million variance through October.
- FY 21 forecast is 7.7% lower than FY 19
- Weekly vehicle miles traveled estimates have been down 5 – 10% since September
- Forecast assumes gradual improvement through rest of FY 21 but still lower than pre-pandemic baseline in all months; still 6% - 7% below pre-pandemic baseline winter months



APPENDIX G

Other Background Materials

Table of Contents

Hollywood Casino Bangor.....	G-1
Oxford Casino.....	G-2
Milk Handling Fee and Transfers to Maine Milk Pool.....	G-3
Medicaid/MaineCare Dedicated Revenue Detail.....	G-6

Revenue Forecasting Committee - December 2020 - Hollywood Casino Bangor

GENERAL FUND REVENUE		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - General Fund Revenue			\$2,716,886	\$4,391,441	\$6,267,691	\$0	\$0
Incremental Effect of December 2020 Forecast			\$1,846,223	\$671,380	\$60,571	\$6,472,271	\$6,490,799
December 2020 Forecast - Revised General Fund Revenue			\$4,563,109	\$5,062,821	\$6,328,262	\$6,472,271	\$6,490,799
FUND FOR A HEALTHY MAINE REVENUE		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - Fund for a Healthy Maine Revenue			\$1,684,756	\$2,731,883	\$3,704,447	\$0	\$0
Incremental Effect of December 2020 Forecast			\$1,156,153	\$384,269	\$41,965	\$3,840,073	\$3,849,673
Decemer 2020 Forecast - Fund for a Healthy Maine Revenue			\$2,840,909	\$3,116,152	\$3,746,412	\$3,840,073	\$3,849,673
Detail of Current Revenue Forecast - Distribution of Total Income							
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Gross Slot Income (Coin/Voucher In)	A	\$306,360,214	\$314,113,842	\$340,593,039	\$409,480,025	\$419,717,026	\$420,766,318
Player's Share (Payback Value)	B	\$276,210,244	\$282,563,612	\$306,025,591	\$367,921,103	\$377,119,131	\$378,061,929
3% Distribution to City of Bangor (.03*(A-B))		\$904,499	\$946,507	\$1,037,023	\$1,246,768	\$1,277,937	\$1,281,132
General Fund - Administration (1% of Gross Slot Income)	C	\$3,063,602	\$3,141,138	\$3,405,930	\$4,094,800	\$4,197,170	\$4,207,663
Net Slot Machine Income (=A-B-C)		\$27,086,368	\$28,409,092	\$31,161,518	\$37,464,122	\$38,400,725	\$38,496,727
Licensees' Share of Net Slot Machine Income		\$16,522,685	\$17,329,546	\$19,008,526	\$22,853,114	\$23,424,442	\$23,483,003
Licensees' Share of Net Slot after 3% Distribution to Bangor		\$15,618,186	\$16,383,039	\$17,971,503	\$21,606,346	\$22,146,505	\$22,201,871
Net Table Game Income		\$6,242,658	\$4,284,517	\$5,671,442	\$9,276,634	\$9,323,017	\$9,369,633
Licensee's Share of Net Table Game Income		\$5,243,832	\$3,598,994	\$4,764,011	\$7,792,373	\$7,831,335	\$7,870,491
Distribution of State Share of Net Slot Machine Income		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund (other)		\$812,591	\$852,273	\$934,846	\$1,123,924	\$1,152,022	\$1,154,902
General Fund (After 48 months - November 2009)		\$270,864	\$284,091	\$311,615	\$374,641	\$384,007	\$384,967
Fund for a Healthy Maine (FHM)		\$2,708,637	\$2,840,909	\$3,116,152	\$3,746,412	\$3,840,073	\$3,849,673
FHM over caps to Gen Fund (\$4.5M in FY11 and FY12, \$0 in FY13)		\$0	\$0	\$0	\$0	\$0	\$0
University of Maine Scholarship Fund (2% until 9/1/13)		\$520,058	\$545,455	\$598,301	\$719,311	\$737,294	\$739,137
Maine Maritime Academy Scholarship Program (beginning 9/1/13)		\$21,669	\$22,727	\$24,929	\$29,971	\$30,721	\$30,797
Maine Community College System - Scholarship Funds		\$270,864	\$284,091	\$311,615	\$374,641	\$384,007	\$384,967
Resident Municipalities		\$270,864	\$284,091	\$311,615	\$374,641	\$384,007	\$384,967
Supplement Harness Racing Purses		\$2,708,637	\$2,840,909	\$3,116,152	\$3,746,412	\$3,840,073	\$3,849,673
Sire Stakes Fund		\$812,591	\$852,273	\$934,846	\$1,123,924	\$1,152,022	\$1,154,902
Fund to Encourage Racing at Maine's Commercial Tracks		\$1,083,455	\$1,136,364	\$1,246,461	\$1,498,565	\$1,536,029	\$1,539,869
Fund to Stabilize Off-Track Betting (48 months - until Oct 2009)		\$0	\$0	\$0	\$0	\$0	\$0
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)		\$270,864	\$284,091	\$311,615	\$374,641	\$384,007	\$384,967
Agricultural Fair Support Fund		\$812,591	\$852,273	\$934,846	\$1,123,924	\$1,152,022	\$1,154,902
GF Transfer to Gambling Addiction Prevention and Treatment Fund		(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Gambling Addiction Prevention and Treatment Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Distribution of State Share of Net Table Game Income		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund		\$561,839	\$385,607	\$510,430	\$834,897	\$839,072	\$843,267
Gambling Control Board		\$187,280	\$128,536	\$170,143	\$278,299	\$279,691	\$281,089
Municipality		\$124,853	\$85,690	\$113,429	\$185,533	\$186,460	\$187,393
Coordinated Veterans Assistance Fund		\$124,853	\$85,690	\$113,429	\$185,533	\$186,460	\$187,393
Revenue Summary		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund							
General Fund Administration (1% of gross slot income)		\$3,063,602	\$3,141,138	\$3,405,930	\$4,094,800	\$4,197,170	\$4,207,663
General Fund (Other)		\$1,545,294	\$1,421,971	\$1,656,891	\$2,233,462	\$2,275,101	\$2,283,136
Licensing revenue		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$4,608,896	\$4,563,109	\$5,062,821	\$6,328,262	\$6,472,271	\$6,490,799
Fund for a Healthy Maine		\$2,708,637	\$2,840,909	\$3,116,152	\$3,746,412	\$3,840,073	\$3,849,673
Other Special Revenue Funds							
Harness Racing Commission		\$5,688,138	\$5,965,910	\$6,543,920	\$7,867,466	\$8,064,153	\$8,084,313
HRC - Subtotal		\$5,688,138	\$5,965,910	\$6,543,920	\$7,867,466	\$8,064,153	\$8,084,313
PUS- host municipalities		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund		\$520,058	\$545,455	\$598,301	\$719,311	\$737,294	\$739,137
Maine Maritime Academy Scholarship Program		\$21,669	\$22,727	\$24,929	\$29,971	\$30,721	\$30,797
Maine Community College System Scholarships		\$270,864	\$284,091	\$311,615	\$374,641	\$384,007	\$384,967
Resident Municipalities		\$395,717	\$369,781	\$425,044	\$560,174	\$570,467	\$572,360
Gambling Addiction Prevention and Treatment Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Gambling Control Board		\$736,980	\$678,236	\$719,843	\$827,999	\$829,391	\$830,789
Coordinated Veterans Assistance Fund		\$124,853	\$85,690	\$113,429	\$185,533	\$186,460	\$187,393
Subtotal - Other Special Revenue Funds		\$7,883,279	\$8,076,890	\$8,862,081	\$10,690,095	\$10,927,493	\$10,954,756

Revenue Forecasting Committee - December 2020 - Oxford Casino

GENERAL FUND REVENUE	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - General Fund Revenue		\$338,840	\$705,439	\$1,690,203	\$0	\$0
Incremental Effect of December 2020 Forecast		\$1,167,001	\$677,176	\$534,794	\$2,247,247	\$2,269,719
December 2020 Forecast - Revised General Fund Revenue		\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719

Detail of Current Revenue Forecast - Distribution of Total Income

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Net Slot Machine Income	\$54,475,376	\$50,194,687	\$46,087,182	\$74,166,566	\$74,908,232	\$75,657,314
Total Net Table Game Income	\$12,318,385	\$5,118,181	\$9,054,047	\$18,289,176	\$18,472,068	\$18,656,788
Licensees' Share of Total Net Slot Machine Income	54.0%	\$29,416,703	\$27,105,131	\$24,887,078	\$40,409,946	\$40,854,950
Licensees' Share of Total Net Table Game Income	84.0%	\$10,347,443	\$4,299,272	\$7,605,400	\$15,362,908	\$15,671,702
Total Licensees' Share of Net Income		\$39,764,146	\$31,404,403	\$32,492,478	\$55,412,854	\$56,526,652

Distribution of State Share of Net Slot Machine Income	46.0%	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K-12 Essential Programs and Services	25.0%	\$13,618,844	\$12,548,672	\$11,521,796	\$18,541,641	\$18,727,058	\$18,914,328
Maine's Penobscot and Passamaquoddy Indian Tribes	4.0%	\$2,179,015	\$2,007,787	\$1,843,487	\$2,966,663	\$2,996,329	\$3,026,293
General Fund - Administration	3.0%	\$1,634,261	\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
University of Maine System Scholarship Fund (4% until 9/1/13)	3.83%	\$2,086,407	\$1,922,456	\$1,765,139	\$2,840,579	\$2,868,985	\$2,897,675
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0.17%	\$92,608	\$85,331	\$78,348	\$126,083	\$127,344	\$128,617
Agricultural Fair Support Fund	1.0%	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
Municipality in which casino is located	2.0%	\$1,089,508	\$1,003,894	\$921,744	\$1,483,331	\$1,498,165	\$1,513,146
Maine Community College System Scholarship Programs	3.0%	\$1,634,261	\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
Fund to Supplement Harness Racing Purses	1.0%	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
Sire Stakes Fund	1.0%	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
County in which casino is located	1.0%	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	0.5%	\$272,377	\$250,973	\$230,436	\$370,833	\$374,541	\$378,287
Dairy Improvement Fund (Beginning 7/1/13)	0.5%	\$272,377	\$250,973	\$230,436	\$370,833	\$374,541	\$378,287

Distribution of State Share of Net Table Game Income	16.0%	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K-12 Essential Programs and Services	10.0%	\$1,231,839	\$511,818	\$905,405	\$1,828,918	\$1,847,207	\$1,865,679
Gambling Control Board	3.0%	\$369,552	\$153,545	\$271,621	\$548,675	\$554,162	\$559,704
Municipality in which casino is located	2.0%	\$246,368	\$102,364	\$181,081	\$365,784	\$369,441	\$373,136
County in which casino is located	1.0%	\$123,184	\$51,182	\$90,540	\$182,892	\$184,721	\$186,568

Revenue Summary	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund						
General Fund Administration	\$1,634,261	\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
License Fees	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund	\$1,634,261	\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
Other Special Revenue Funds						
Gambling Control Board	\$567,877	\$351,870	\$469,946	\$747,000	\$752,487	\$758,029
K-12 Essential Programs and Services	\$14,850,683	\$13,060,490	\$12,427,201	\$20,370,559	\$20,574,265	\$20,780,007
Maine's Penobscot and Passamaquoddy Indian Tribes	\$2,179,015	\$2,007,787	\$1,843,487	\$2,966,663	\$2,996,329	\$3,026,293
University of Maine System Scholarship Fund	\$2,086,407	\$1,922,456	\$1,765,139	\$2,840,579	\$2,868,985	\$2,897,675
Maine Maritime Academy Scholarship Program	\$92,608	\$85,331	\$78,348	\$126,083	\$127,344	\$128,617
Agricultural Fair Support Fund	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
Municipality in which casino is located	\$1,335,876	\$1,106,258	\$1,102,825	\$1,849,115	\$1,867,606	\$1,886,282
Maine Community College System Scholarship Programs	\$1,634,261	\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
Fund to Supplement Harness Racing Purses	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
Sire Stakes Fund	\$544,754	\$501,947	\$460,872	\$741,666	\$749,082	\$756,573
County in which casino is located	\$667,938	\$553,129	\$551,412	\$924,558	\$933,803	\$943,141
Maine Dairy Farm Stabilization Fund	\$272,377	\$250,973	\$230,436	\$370,833	\$374,541	\$378,287
Dairy Improvement Fund	\$272,377	\$250,973	\$230,436	\$370,833	\$374,541	\$378,287
Subtotal - Other Special Revenue Funds	\$25,593,684	\$22,600,953	\$21,464,466	\$35,016,224	\$35,364,401	\$35,716,064

Milk Handling Fee and Transfer to Maine Milk Pool - December 2020 Revenue Forecast

HANDLING FEE INCOME

	FY20	FY20	FY21	FY21
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$20.32	\$164,118	\$14.66	\$864,002
July	\$20.42	\$182,997	\$19.80	\$146,391
August	\$21.14	\$82,159	\$23.03	\$47,396
Sept.	\$21.10	\$73,538	\$21.69	\$82,378
Oct.	\$21.09	\$81,242	\$18.45	\$477,140
Nov.	\$21.39	\$68,938	\$21.29	\$79,523
Dec.	\$22.58	\$84,659	\$19.39	\$318,093
Jan.	\$22.25	\$74,661	\$19.10	\$318,093
Feb.	\$20.80	\$129,514	\$19.20	\$318,093
March	\$20.71	\$157,756	\$19.27	\$318,093
April	\$19.88	\$246,475	\$19.60	\$238,570
May	\$16.20	\$741,963	\$19.66	\$238,570
		\$2,088,021		\$3,446,341

TIER PROGRAM PAYMENTS

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY20	Jun-19	\$18.28	\$0.00	\$0.26	\$2.40	53,220,434	\$1,278,370
	Jul-19	\$18.97	\$0.00	\$0.29	\$1.51	53,402,648	\$807,423
	Aug-19	\$18.97	\$0.00	\$0.30	\$1.17	52,494,445	\$611,812
	Sep-19	\$18.78	\$0.00	\$0.29	\$1.09	49,301,730	\$537,116
	Oct-19	\$18.72	\$0.00	\$0.31	\$0.84	49,371,328	\$415,918
	Nov-19	\$19.20	\$0.00	\$0.32	\$0.79	47,241,094	\$373,184
	Dec-19	\$19.28	\$0.00	\$0.31	\$0.52	49,647,818	\$257,392
	Jan-20	\$18.78	\$0.00	\$0.29	\$0.77	50,544,864	\$388,072
	Feb-20	\$18.12	\$0.00	\$0.28	\$0.99	47,705,816	\$470,897
	Mar-20	\$17.74	\$0.00	\$0.29	\$1.09	51,527,530	\$563,775
	Apr-20	\$14.92	\$0.00	\$0.29	\$3.73	50,071,731	\$1,867,967
	May-20	\$13.47	\$0.00	\$0.28	\$5.17	51,066,730	\$2,639,103
						FY20 Exp	\$10,211,029

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY21	Jun-20	\$15.66	\$0.00	\$0.29	\$5.02	49,399,409	\$2,478,358
	Jul-20	\$19.08	\$0.00	\$0.29	\$1.31	49,683,081	\$651,771
	Aug-20	\$18.02	\$0.00	\$0.29	\$1.99	49,223,764	\$978,293
	Sep-20	\$16.80	\$0.00	\$0.30	\$2.68	46,925,915	\$1,257,258
	Oct-20	\$17.07	\$0.00	\$0.29	\$2.14	47,714,020	\$1,019,383
	Nov-20	\$18.90	\$0.00	\$0.29	\$0.76	47,241,094	\$360,364
	Dec-20	\$16.70	\$0.00	\$0.29	\$2.25	49,647,818	\$1,119,218
	Jan-21	\$16.75	\$0.00	\$0.29	\$2.15	50,544,864	\$1,084,218
	Feb-21	\$16.79	\$0.00	\$0.29	\$1.99	47,705,816	\$950,825
	Mar-21	\$16.98	\$0.00	\$0.29	\$1.74	51,527,530	\$898,611
	Apr-21	\$17.21	\$0.00	\$0.29	\$1.44	50,071,731	\$723,509
	May-21	\$17.36	\$0.00	\$0.29	\$1.26	51,066,730	\$645,548
						FY21 Exp	\$12,167,356
						.5% of net slot income from Oxford Casino	\$250,973
						Net GF Exp	\$11,916,383

Milk Handling Fee and Transfer to Maine Milk Pool - December 2020 Revenue Forecast

HANDLING FEE INCOME

	FY22	FY22	FY23	FY23
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$19.82	\$238,570	\$20.25	\$159,047
July	\$19.94	\$238,570	\$20.25	\$159,047
August	\$20.06	\$159,047	\$20.25	\$159,047
Sept.	\$20.15	\$159,047	\$20.25	\$159,047
Oct.	\$20.26	\$159,047	\$20.25	\$159,047
Nov.	\$20.32	\$159,047	\$20.25	\$159,047
Dec.	\$20.35	\$159,047	\$20.25	\$159,047
Jan.	\$20.25	\$159,047	\$20.25	\$159,047
Feb.	\$20.25	\$159,047	\$20.25	\$159,047
March	\$20.25	\$159,047	\$20.25	\$159,047
April	\$20.25	\$159,047	\$20.25	\$159,047
May	\$20.25	\$159,047	\$20.25	\$159,047
		\$2,067,610		\$1,908,564

TIER PROGRAM PAYMENTS

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY22	Jun-21	\$17.50	\$0.00	\$0.29	\$2.39	49,399,409	\$1,678,400
	Jul-21	\$17.51	\$0.00	\$0.29	\$2.02	49,683,081	\$1,461,624
	Aug-21	\$17.70	\$0.00	\$0.29	\$1.77	49,223,764	\$1,145,250
	Sep-21	\$17.89	\$0.00	\$0.29	\$1.46	46,925,915	\$787,664
	Oct-21	\$18.04	\$0.00	\$0.29	\$1.26	47,714,020	\$651,304
	Nov-21	\$18.12	\$0.00	\$0.29	\$1.11	47,241,094	\$542,367
	Dec-21	\$18.09	\$0.00	\$0.29	\$1.05	49,647,818	\$560,051
	Jan-22	\$18.00	\$0.00	\$0.29	\$1.01	50,544,864	\$568,351
	Feb-22	\$18.00	\$0.00	\$0.29	\$0.98	47,705,816	\$491,451
	Mar-22	\$18.00	\$0.00	\$0.29	\$0.93	51,527,530	\$503,765
	Apr-22	\$18.00	\$0.00	\$0.29	\$0.86	50,071,731	\$459,285
	May-22	\$18.00	\$0.00	\$0.29	\$0.80	51,066,730	\$455,022
						FY22 Exp	\$ 9,304,536
						.5% of net slot income from Oxford Casino	\$ 230,436
						Net GF Exp	\$ 9,074,100

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY23	Jun-22	\$18.00	\$0.00	\$0.29	\$2.39	49,399,409	\$1,412,298
	Jul-22	\$18.00	\$0.00	\$0.29	\$2.02	49,683,081	\$1,214,504
	Aug-22	\$18.00	\$0.00	\$0.29	\$1.77	49,223,764	\$1,019,959
	Sep-22	\$18.00	\$0.00	\$0.29	\$1.46	46,925,915	\$753,889
	Oct-22	\$18.00	\$0.00	\$0.29	\$1.26	47,714,020	\$662,067
	Nov-22	\$18.00	\$0.00	\$0.29	\$1.11	47,241,094	\$570,368
	Dec-22	\$18.00	\$0.00	\$0.29	\$1.05	49,647,818	\$581,890
	Jan-23	\$18.00	\$0.00	\$0.29	\$1.01	50,544,864	\$568,351
	Feb-23	\$18.00	\$0.00	\$0.29	\$0.98	47,705,816	\$491,451
	Mar-23	\$18.00	\$0.00	\$0.29	\$0.93	51,527,530	\$503,765
	Apr-23	\$18.00	\$0.00	\$0.29	\$0.86	50,071,731	\$459,285
	May-23	\$18.00	\$0.00	\$0.29	\$0.80	51,066,730	\$455,022
						FY23 Exp	\$ 8,692,850
						.5% of net slot income from Oxford Casino	\$ 370,833
						Net GF Exp	\$ 8,322,017

Milk Handling Fee and Transfer to Maine Milk Pool - December 2020 Revenue Forecast

HANDLING FEE INCOME

	FY24	FY25	FY25	FY25
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$19.82	\$159,047	\$20.25	\$159,047
July	\$19.94	\$159,047	\$20.25	\$159,047
August	\$20.06	\$159,047	\$20.25	\$159,047
Sept.	\$20.15	\$159,047	\$20.25	\$159,047
Oct.	\$20.26	\$159,047	\$20.25	\$159,047
Nov.	\$20.32	\$159,047	\$20.25	\$159,047
Dec.	\$20.35	\$159,047	\$20.25	\$159,047
Jan.	\$20.25	\$159,047	\$20.25	\$159,047
Feb.	\$20.25	\$159,047	\$20.25	\$159,047
March	\$20.25	\$159,047	\$20.25	\$159,047
April	\$20.25	\$159,047	\$20.25	\$159,047
May	\$20.25	\$159,047	\$20.25	\$159,047
		\$1,908,564		\$1,908,564

TIER PROGRAM PAYMENTS

FY24	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
Jun-23	\$18.00	\$0.00	\$0.29	\$2.39	49,399,409	\$1,412,298
Jul-23	\$18.00	\$0.00	\$0.29	\$2.02	49,683,081	\$1,214,504
Aug-23	\$18.00	\$0.00	\$0.29	\$1.77	49,223,764	\$1,019,959
Sep-23	\$18.00	\$0.00	\$0.29	\$1.46	46,925,915	\$753,889
Oct-23	\$18.00	\$0.00	\$0.29	\$1.26	47,714,020	\$662,067
Nov-23	\$18.00	\$0.00	\$0.29	\$1.11	47,241,094	\$570,368
Dec-23	\$18.00	\$0.00	\$0.29	\$1.05	49,647,818	\$581,890
Jan-24	\$18.00	\$0.00	\$0.29	\$1.01	50,544,864	\$568,351
Feb-24	\$18.00	\$0.00	\$0.29	\$0.98	47,705,816	\$491,451
Mar-24	\$18.00	\$0.00	\$0.29	\$0.93	51,527,530	\$503,765
Apr-24	\$18.00	\$0.00	\$0.29	\$0.86	50,071,731	\$459,285
May-24	\$18.00	\$0.00	\$0.29	\$0.80	51,066,730	\$455,022
					FY24 Exp	\$ 8,692,850
					.5% of net slot income from Oxford Casino	\$ 374,541
					Net GF Exp	\$ 8,318,309

FY25	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
Jun-24	\$18.00	\$0.00	\$0.29	\$2.39	49,399,409	\$1,412,298
Jul-24	\$18.00	\$0.00	\$0.29	\$2.02	49,683,081	\$1,214,504
Aug-24	\$18.00	\$0.00	\$0.29	\$1.77	49,223,764	\$1,019,959
Sep-24	\$18.00	\$0.00	\$0.29	\$1.46	46,925,915	\$753,889
Oct-24	\$18.00	\$0.00	\$0.29	\$1.26	47,714,020	\$662,067
Nov-24	\$18.00	\$0.00	\$0.29	\$1.11	47,241,094	\$570,368
Dec-24	\$18.00	\$0.00	\$0.29	\$1.05	49,647,818	\$581,890
Jan-25	\$18.00	\$0.00	\$0.29	\$1.01	50,544,864	\$568,351
Feb-25	\$18.00	\$0.00	\$0.29	\$0.98	47,705,816	\$491,451
Mar-25	\$18.00	\$0.00	\$0.29	\$0.93	51,527,530	\$503,765
Apr-25	\$18.00	\$0.00	\$0.29	\$0.86	50,071,731	\$459,285
May-25	\$18.00	\$0.00	\$0.29	\$0.80	51,066,730	\$455,022
					FY25 Exp	\$ 8,692,850
					.5% of net slot income from Oxford Casino	\$ 378,287
					Net GF Exp	\$ 8,314,563

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

Maine Dept. of Agriculture, Conservation & Forestry Maine Milk Commission

Adjusted by OFPR 11/23/20 to include Oxford Casino slot income.

Medicaid/MaineCare Dedicated Revenue Taxes Detail

			FY 2017	2016-2017	FY 2018	2017-2018	FY 2019	2018-2019	FY 2020	FY 2020	FY 2020	2019-2020
New Approp	REV SHORT TITLE	REV SRC	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Budget Mar 2020	% Chg.	Actuals	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%	39,291,304	12.3%	43,432,833	24.1%
01410AZ19753	RES TRMT FACILITIES TAX	0671	1,777,492	-3.4%	1,905,823	7.2%	1,886,325	-1.0%	2,116,115	12.2%	2,061,980	9.3%
01410AZ21057	RES TRMT FACILITIES TAX	0671	58,705	-5.8%	61,404	4.6%	60,153	-2.0%	57,000	-5.2%	65,649	9.1%
01410AZ21254	RES TRMT FACILITIES TAX	0671	102,932	-0.7%	110,852	7.7%	109,027	-1.6%	105,000	-3.7%	122,693	12.5%
Subtotal	RTF Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,278,115	10.8%	2,250,322	9.5%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%	115,287,729	12.5%	115,464,903	12.6%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	730,857	13.2%	759,814	4.0%	793,987	4.5%	750,000	-5.5%	767,968	-3.3%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	20,436,200	9.5%	21,859,304	7.0%	23,642,031	8.2%	26,527,843	12.2%	25,264,933	6.9%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	2,972,538	12.3%	3,090,313	4.0%	3,229,302	4.5%	3,030,000	-6.2%	3,104,342	-3.9%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	2,926,850	-27.6%	3,315,623	13.3%	3,532,821	6.6%	3,401,246	-3.7%	3,278,670	-7.2%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	785,368	13.2%	816,485	4.0%	853,207	4.5%	800,000	-6.2%	819,676	-3.9%
01410A014701	MEDICAL CARE SERVICES	0675	15,858,949	18.1%	16,118,882	1.6%	18,373,373	14.0%	18,131,603	-1.3%	19,754,717	7.5%
Subtotal	Service Provider (PNMI) Tax		43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%	52,640,692	4.4%	52,990,306	5.1%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	209,497,840	10.3%	214,138,364	12.7%
	Nursing Home Tax		36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%	39,291,304	12.3%	43,432,833	24.1%
	RTF's Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,278,115	10.8%	2,250,322	9.5%
	Hospital Tax		95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%	115,287,729	12.5%	115,464,903	12.6%
	Service Provider (PNMI) Tax		43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%	52,640,692	4.4%	52,990,306	5.1%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	209,497,840	10.3%	214,138,364	12.7%

Medicaid/MaineCare Dedicated Revenue Taxes Detail

			FY 2021	FY 2021	FY 2021	2020-2021	FY 2022	FY 2022	FY 2022	2021-2022
New Approp	REV SHORT TITLE	REV SRC	Rev. Est. Aug 2020	Req. Chg. Dec-20	Rev. Est. Dec-20	% Chg.	Rev. Est. Aug 2020	Req. Chg. Dec-20	Rev. Est. Dec-20	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	41,786,220	2,736,343	44,522,563	6.5%	41,786,220	-	41,786,220	-6.1%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,116,115	167,133	2,283,248	7.9%	2,116,115	-	2,116,115	-7.3%
01410AZ21057	RES TRMT FACILITIES TAX	0671	57,000	15,949	72,949	28.0%	57,000	-	57,000	-21.9%
01410AZ21254	RES TRMT FACILITIES TAX	0671	105,000	33,767	138,767	32.2%	105,000	-	105,000	-24.3%
Subtotal	RTF Tax		2,278,115	216,848	2,494,963	9.5%	2,278,115	-	2,278,115	-8.7%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	115,888,143	-	115,888,143	0.0%	115,888,143	-	115,888,143	0.0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	1,418,435	(661,507)	756,928	-46.6%	1,418,435	-	1,418,435	87.4%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	25,584,707	(1,196,164)	24,388,543	-4.7%	25,584,707	-	25,584,707	4.9%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,030,000	1,081,533	4,111,533	35.7%	3,030,000	-	3,030,000	-26.3%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,401,246	(198,990)	3,202,256	-5.9%	3,401,246	-	3,401,246	6.2%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	800,000	(197,272)	602,728	-24.7%	800,000	-	800,000	32.7%
01410A014701	MEDICAL CARE SERVICES	0675	19,922,230	609,603	20,531,833	3.1%	19,922,230	-	19,922,230	-3.0%
Subtotal	Service Provider (PNMI) Tax		54,156,618	(562,796)	53,593,822	-1.0%	54,156,618	-	54,156,618	1.1%
			214,109,096	2,390,395	216,499,491	1.1%	214,109,096	-	214,109,096	-1.1%
	Nursing Home Tax		41,786,220	2,736,343	44,522,563	6.5%	41,786,220	-	41,786,220	-6.1%
	RTF's Tax		2,278,115	216,848	2,494,963	9.5%	2,278,115	-	2,278,115	-8.7%
	Hospital Tax		115,888,143	-	115,888,143	0.0%	115,888,143	-	115,888,143	0.0%
	Service Provider (PNMI) Tax		54,156,618	(562,796)	53,593,822	-1.0%	54,156,618	-	54,156,618	1.1%
			214,109,096	2,390,395	216,499,491	1.1%	214,109,096	-	214,109,096	-1.1%

Medicaid/MaineCare Dedicated Revenue Taxes Detail

			FY 2023	FY 2023	FY 2023	2022-2023	FY 2024	2023-2024	FY 2025	2024-2025
New Approp	REV SHORT TITLE	REV SRC	Rev. Est. Aug 2020	Req. Chg. Dec-20	Rev. Est. Dec-20	% Chg.	Projection Dec-20	% Chg.	Projection Dec-20	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	41,786,220	-	41,786,220	0.0%	41,786,220	0.0%	41,786,220	0.0%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,116,115	-	2,116,115	0.0%	2,116,115	0.0%	2,116,115	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	57,000	-	57,000	0.0%	57,000	0.0%	57,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	105,000	-	105,000	0.0%	105,000	0.0%	105,000	0.0%
Subtotal	RTF Tax		2,278,115	-	2,278,115	0.0%	2,278,115	0.0%	2,278,115	0.0%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	115,888,143	-	115,888,143	0.0%	115,888,143	0.0%	115,888,143	0.0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	1,418,435	-	1,418,435	0.0%	1,418,435	0.0%	1,418,435	0.0%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	25,584,707	-	25,584,707	0.0%	25,584,707	0.0%	25,584,707	0.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,030,000	-	3,030,000	0.0%	3,030,000	0.0%	3,030,000	0.0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,401,246	-	3,401,246	0.0%	3,401,246	0.0%	3,401,246	0.0%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	800,000	-	800,000	0.0%	800,000	0.0%	800,000	0.0%
01410A014701	MEDICAL CARE SERVICES	0675	19,922,230	-	19,922,230	0.0%	19,922,230	0.0%	19,922,230	0.0%
Subtotal	Service Provider (PNMI) Tax		54,156,618	-	54,156,618	0.0%	54,156,618	0.0%	54,156,618	0.0%
			214,109,096	-	214,109,096	0.0%	214,109,096	0.0%	214,109,096	0.0%
	Nursing Home Tax		41,786,220	-	41,786,220	0.0%	41,786,220	0.0%	41,786,220	0.0%
	RTF's Tax		2,278,115	-	2,278,115	0.0%	2,278,115	0.0%	2,278,115	0.0%
	Hospital Tax		115,888,143	-	115,888,143	0.0%	115,888,143	0.0%	115,888,143	0.0%
	Service Provider (PNMI) Tax		54,156,618	-	54,156,618	0.0%	54,156,618	0.0%	54,156,618	0.0%
			214,109,096	-	214,109,096	0.0%	214,109,096	0.0%	214,109,096	0.0%