

MAINE STATE LEGISLATURE

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REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

May 2021



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:

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Christopher Nolan, Director, Office of Fiscal and Program Review
Amanda Rector, State Economist

April 30, 2021

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

FROM: Michael Allen, Chair
Revenue Forecasting Committee

RE: **Revenue Forecast Committee May 1, 2021 Report**

The Revenue Forecasting Committee (RFC) has concluded its mid-session update of the current revenue forecast to comply with this year's statutory reporting date of May 1st, to incorporate the new economic forecast released by the Consensus Economic Forecasting Commission (CEFC) on April 1, 2021 and to provide a forecast that reflects revenue performance through the first ten 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 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) Forecast	(\$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) Forecast	\$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%
Net Increase (Decrease) Enacted Leg.	(\$123,763,062)	\$34,312,346	\$54,056,820	\$5,970,750	\$6,403,000
Net Increase (Decrease) Forecast	\$479,428,979	\$241,344,813	\$219,186,512	\$223,297,647	\$213,216,979
May 2021 Forecast	\$4,170,942,833	\$4,248,424,876	\$4,396,848,973	\$4,505,438,525	\$4,650,768,441
Annual % Growth	5.1%	1.9%	3.5%	2.5%	3.2%
Change % from March 2020 RFC	2.5%	1.8%	1.8%	na	na

In its May 2021 update, the RFC revised General Fund (GF) revenue estimates upward by \$479.4 million for FY21 and by \$460.5 million for the 2022-2023 biennium. The forecasted rate of year-over-year growth for General Fund revenue for FY21 is now 5.1%, followed by growth of 1.9% for FY22 and 3.5% for FY23. Relative to the RFC's pre-pandemic March 1, 2020 forecast, GF revenues are now projected to be \$100.7 million (2.5%) higher in FY21 and \$153.1 million (1.8% per year) higher for the 2022-2023 biennium (this biennial increase includes \$95.3 million from the extension of revenue sharing at 3.75%

for the biennium enacted in the 2022-2023 Biennial Budget, PL 2021, c. 29). As discussed below, the GF revenue changes are largely the result of positive adjustment to the sales and use and individual income taxes lines. The RFC also made a significant positive adjustment to the estate tax line totaling \$22.0 million for FY 21 after being presented with additional information at a brief meeting on April 30th on actual collections to date for FY21.

Highway Fund (HWF) revenues are being decreased by \$0.2 million for FY21 and by \$7.0 million for the 2022-2023 biennium. Highway Fund revenues relative to the RFC's pre-pandemic March 1, 2020 forecast are now projected to be \$19.6 million lower in FY21 and \$28.4 million lower for the 2022-2023 biennium. The Highway Fund revenue changes are largely the result of negative adjustments to the motor fuels tax lines.

The \$177.3 million upward adjustment in FY21 to the General Fund sales and use tax forecast reflects a positive variance of \$75.2 million through March and preliminary April receipts that point to a monthly positive variance of approximately \$35 million. In addition, because of weak sales in early summer last calendar year, the annual net accrual this June will be unusually large, contributing a one-time boost of \$35 million to the FY21 sales tax forecast. The net accrual is one reason why the projected change in FY22 and FY23 are lower than FY21, but the primary reason for the drop off is the year-over-year revenue growth from the sale of consumer goods (+16.6%) that has occurred during the first three months of CY21. The new forecast assumes much of this growth, which is expected to continue through June, is being fueled by the \$600 and \$1,400 stimulus checks issued during the early part of 2021 and the extension of enhanced unemployment insurance benefits of \$300 per week that will expire in early September. This surge in consumer spending and a shift back to spending on services is expected to slow sales tax growth during the second half of CY21. While meal and lodging sales are expected to return to 2019 levels during the summer tourism season, this assumption is only slightly more optimistic than the December forecast and therefore does not contribute significantly to changes in this revenue forecast. Adjusting for the expected ramp up in sales of adult use marijuana, the forecast of revenue growth from FY23-FY25 is expected to average 2.5%.

Changes to the General Fund individual income tax are primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The April CEFC forecast assumes that wages and salaries combined with taxable enhanced unemployment insurance (UI) benefits that were part of the Consolidated Appropriations Act of 2020 and the American Rescue Plan of 2021 will increase 6% during CY21 compared to -1.8% projected in the November economic 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) stronger growth in capital gains realizations than the December forecast, (2) slightly stronger growth in business income, and (3) continued adjustments to estimates of State conformity to the various federal stimulus acts that were part of the FY21 Supplemental Budget. Like sales tax, the revenue increase in FY21 is larger than the later years partly because of timing in receipts. Extremely strong final estimated payments for tax year 2020 and withholding payments during the first half of CY21, and a shift in a portion of the negative revenue impact of conformity to PPP and the \$10,200 unemployment insurance exemption from FY21 to FY22 are boosting the reprojection for FY21.

Over the last year both the CEFC and RFC have made unusually large adjustments to their previous forecasts as both forecasting groups, along with other economic and revenue forecasters, have tried to understand and adjust to changing health and economic conditions caused by the historic global pandemic. In addition, the fiscal and monetary response by Congress and the Federal Reserve System is the largest as a percentage of GDP since the Great Depression and has included tax and expenditure programs unique to the economic dislocations caused by the pandemic induced recession. While the percentage of the population that has received the COVID-19 vaccine continues to climb and herd immunity is expected by early to mid-summer, a high degree of uncertainty remains about the state of the pandemic and the path

of the economy later this year and next. Both the CEFC and the RFC remain committed to using the flexibility provided to us by Maine's Consensus Revenue Forecasting law (5 MRS, Chapter 151-B) to make sure the Governor and Legislature are updated as quickly and as accurately as possible as health and economic conditions change between this forecast exercise and the next one later this fall.

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 May 2021 Forecast

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- F. Maine Revenue Services Recommendations and other Background Materials**
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Introduction

The Revenue Forecasting Committee (RFC) met on April 27, 2021 and again on April 30, 2021, to review and update the current revenue forecast to comply with its statutory reporting date of May 1st. The RFC revised its revenue projections through the fiscal year ending June 30, 2025 for the General Fund, Highway Fund, Fund for a Healthy Maine and MaineCare Dedicated Revenue Taxes.

Economic Forecast

The Maine Consensus Economic Forecasting Commission (CEFC) convened on March 30, 2021, to review and revise its forecast through 2025.

The CEFC was more optimistic and saw reduced uncertainty from the two previous pandemic forecasts. Since its last forecast, the CEFC identified increased clarity regarding the timing and provisions of federal stimulus and vaccine rollout and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. Additionally, the CEFC noted its 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 that stability of K-12 education and childcare services will be a major determinant of the trajectory of recovery. The increase in COVID-19 variants is a new concern, and behaviors relating to vaccine uptake and continued social distancing protocols remain an area of uncertainty.

The CEFC was optimistic about a robust recovery in 2021. Benchmark revisions to 2020 wage and salary employment show a loss of -6.4%, better than the previous forecast loss of -8.0%. Total nonfarm employment was projected to increase by 4.0% in 2021, 2.3% in 2022, 0.7% in 2023, and 0.1% in both 2024 and 2025. The revised forecast anticipated employment will return to pre-pandemic levels by 2023 and continue growing to 640 thousand in 2025. This is a considerable improvement over the November 2020 forecast and reflects optimism regarding the upside risk of increased migration into the state related to remote work along with a faster-than-anticipated rollout of vaccines.

The forecast for total personal income was revised up significantly to +5.0% in 2021, compared to -0.5% in the previous forecast. Personal income was revised down in 2022, from 3.9% to 0.2%, and revised up in 2023, 2024, and 2025 to 4.1%, 4.3%, and 4.5%, respectively. This revision accounts for both larger federal stimulus in 2021 than previously assumed as well as a stronger rebound of middle- and high-wage jobs. The slower growth in 2022 reflects the unwinding of federal stimulus.

Growth in wages and salaries, the largest component of personal income, was revised up for 2021 by 2.0 percentage points compared to November's forecast, from 3.0% to 5.0%. 2022-2025 were each left unchanged, at 4.0% for all years. Growth in supplements to wages and salaries was revised up in all years. In 2021, this was revised up from 3.6% to 5.0%. In the remaining years from 2022-2025, the forecast was revised from 3.4% to 4.0%, reflecting expected increased health care and childcare costs.

Nonfarm proprietors' income was left unchanged in 2021, at 3.2%. The CEFC revised the remaining years up to 6.5% in 2022 (from 3.3%), 6.0% in 2023 (from 2.5%), 5.7% in 2024 (from 2.5%), and 5.4% in 2025 (from 2.5%). The forecast for dividends, interest, and rent was revised up for all years, from 0.1% to 0.8% in 2021, from 2.3% to 4.2% in 2022 and from 2.2% to 3.5% for 2023-2025. Growth in personal current transfer receipts was revised up in 2021 to 8.0% from -8.0% in the previous forecast. Forecasts for 2022-

2025 were -10.0%, 4.0%, 5.0%, and 6.0%, respectively. These changes reflected downward revisions from 2022-2024 and upward in 2025.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for 2021, from 2.2% to 2.4%, and left 2022-2025 unchanged at 2.1% annually. This change reflects several forces that may contribute to inflation in the later part of the year: an uptick in consumer spending due to pent-up demand, increased energy prices, and supply bottlenecks, as well as the Federal Reserve's willingness to accept inflation moderately above its 2.0% target to achieve 2.0% *average* inflation.

The forecast for corporate profits in 2020 was changed from 0.6% to -2.0%. Corporate profits are projected to grow by 15.0% in 2021 and 4.7% annually from 2023-2025, consistent with the average annual growth rate over the last decade.

A copy of the April 1, 2021, 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 April 27, 2021 and agreed to those recommendations. The RFC met again briefly on April 30, 2021 to review additional information on actual estate tax collections and agreed to make a significant one-time positive adjustment to the estate tax line totaling \$22.0 million for FY21. 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 May 1st update to the revenue forecast. More detail on each of the funds and revenue sources is provided in the various appendices.

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) Forecast	(\$527,809,542)	(\$433,731,150)	(\$449,465,768)		
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Annual % Growth	-3.9%	4.1%	3.8%	3.7%	3.6%
Net Increase (Decrease) Enacted Leg.	(\$123,763,062)	\$34,312,346	\$54,056,820	\$5,970,750	\$6,403,000
Net Increase (Decrease) Forecast	\$479,428,979	\$241,344,813	\$219,186,512	\$223,297,647	\$213,216,979
May 2021 Forecast	\$4,170,942,833	\$4,248,424,876	\$4,396,848,973	\$4,505,438,525	\$4,650,768,441
Annual % Growth	5.1%	1.9%	3.5%	2.5%	3.2%
Change % from March 2020 RFC	2.5%	1.8%	1.8%	na	na

General Fund revenue estimates are revised upward by \$479.4 million for FY21 and by \$460.5 million for the 2022-2023 biennium, for a total positive adjustment of \$940.0 million for the three-year period. The forecasted rate of year-over-year growth for General Fund revenue for FY21 is now 5.1%, followed by

growth of 1.9% for FY22 and 3.5% for FY23. Relative to the RFC's pre-pandemic March 1, 2020 forecast, GF revenues are now projected to be \$100.7 million (2.5%) higher in FY21 and \$153.1 million (1.8% per year) higher for the 2022-2023 biennium (this biennial increase includes \$95.3 million from the extension of revenue sharing at 3.75% for the biennium enacted in the 2022-2023 Biennial Budget, PL 2021, c. 29). As discussed below, the GF revenue changes are largely the result of positive adjustment to the sales and use and individual income taxes lines.

The \$177.3 million upward adjustment in FY21 to the General Fund sales and use tax forecast reflects a positive variance of \$75.2 million through March and preliminary April receipts that point to a monthly positive variance of approximately \$35 million. In addition, because of weak sales in early summer last calendar year, the annual net accrual this June will be unusually large, contributing a one-time boost of \$35 million to the FY21 sales tax forecast. The net accrual is one reason why the projected change in FY22 and FY23 are lower than FY21, but the primary reason for the drop off is the year-over-year revenue growth from the sale of consumer goods (+16.6%) that has occurred during the first three months of CY21. The new forecast assumes much of this growth, which is expected to continue through June, is being fueled by the \$600 and \$1,400 stimulus checks issued during the early part of 2021 and the extension of enhanced unemployment insurance benefits of \$300 per week that will expire in early September. This surge in consumer spending and a shift back to spending on services is expected to slow sales tax growth during the second half of CY21. While meal and lodging sales are expected to return to 2019 levels during the summer tourism season, this assumption is only slightly more optimistic than the December forecast and therefore does not contribute significantly to changes in this revenue forecast. Adjusting for the expected ramp up in sales of adult use marijuana, the forecast of revenue growth from FY23-FY25 is expected to average 2.5%.

Changes to the General Fund individual income tax are primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The April CEFC forecast assumes that wages and salaries combined with taxable enhanced unemployment insurance (UI) benefits that were part of the Consolidated Appropriations Act of 2020 and the American Rescue Plan of 2021 will increase 6% during CY21 compared to -1.8% projected in the November economic 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) stronger growth in capital gains realizations than the December forecast, (2) slightly stronger growth in business income, and (3) continued adjustments to estimates of State conformity to the various federal stimulus acts that were part of the FY21 Supplemental Budget. Like sales tax, the revenue increase in FY21 is larger than the later years partly because of timing in receipts. Extremely strong final estimated payments for tax year 2020 and withholding payments during the first half of CY21, and a shift in a portion of the negative revenue impact of conformity to PPP and the \$10,200 unemployment insurance exemption from FY21 to FY22 are boosting the reprojection for FY21.

Other notable adjustments to General Fund revenue lines include:

- **Service Provider Tax.** The forecast assumes a negative adjustment to service provider tax revenue of -\$4.0 million in FY21, -\$5.0 million in FY22 and -\$5.4 million in FY23. The forecast for a continued decline in service provider tax revenue is largely the result of assumed declines in revenue from telecommunication and video and cable businesses. New modes of consuming these services are not being taxed under the current service provider statutes. As a result, consumers are being taxed differently on the purchase of identical services and continued erosion of the tax base is expected to continue.
- **Corporate Tax.** The May 2021 forecast includes a positive adjustment to corporate revenue of \$59.0 million in FY21, \$6.0 million in FY22 and no change in FY23. The positive adjustment for

FY21 is largely driven by government subsidies, including paycheck protection program (PPP) loans that will be forgiven. The FY22 and FY23 forecast reflects concerns about overpayments in FY21.

- **Cigarette Tax and Other Tobacco Taxes.** The forecast assumes a negative adjustment in FY21 to cigarette and other tobacco taxes revenue of -\$1.7 million but increases the FY22 forecast by \$1.5 million and increases FY23 by \$1.6 million. This revenue line also includes marijuana excise tax revenue discussed below.
- **Estate Tax.** The forecast for estate taxes assumes a \$22.0 million increase for FY21, \$11.1 million for FY22 and \$1.8 million for FY23. The RFC made the significant positive adjustment to the estate tax line for FY 21 after being presented with additional information at a brief meeting on April 30th on actual collections to date for FY21. For FY22, the forecast is based on the latest information regarding expected receipt of unusually large estate tax payments.
- **Marijuana Sales Tax.** The forecast assumes gross adult use marijuana sales tax revenue of \$2.5 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 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 \$3.0 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.9 million in FY21 as a result of increased fund balance projections, decrease by -\$0.4 million in FY22 as a result of lower cash pool rate projections and increase by \$0.9 million in FY23 as a result of higher cash pool rate projections.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is increased by \$0.9 million in FY21, \$1.1 million in FY22 and \$1.1 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 \$0.1 million for FY21 and downward by -\$0.3 million for FY22 and by -\$0.1 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 -\$0.9 million for FY21 but downward (positive impact on the General Fund) by \$3.0 million for FY22 and \$3.4 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. Changes from the December 2020 forecast reflect better than anticipated Federal Blend/CWT prices and decreases in the anticipated average support/cwt payment. These changes coupled with projected increases in total pounds production will move producers into a different tier that provide lower support payments.
- **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 \$0.7 million in FY 21, \$0.7 million in FY22 and \$0.9 million in FY 23.

Highway Fund Summary

	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$344,014,100	\$346,566,974	\$348,999,002		
Annual % Growth	5.1%	0.7%	0.7%		
Net Increase (Decrease)	(\$30,776,958)	(\$15,252,441)	(\$15,262,000)		
August 2020 Forecast	\$313,237,142	\$331,314,533	\$333,737,002		
Annual % Growth	-4.3%	5.8%	0.7%		
Net Increase (Decrease)	\$11,433,265	\$3,289,572	\$5,818,600		
December 2020 Forecast	\$324,670,407	\$334,604,105	\$339,555,602	\$341,980,631	\$344,441,674
Annual % Growth	-0.8%	3.1%	1.5%	0.7%	0.7%
Net Increase (Decrease)	(\$227,054)	(\$3,895,092)	(\$3,075,370)	(\$3,110,586)	(\$3,146,152)
May 2021 Forecast	\$324,443,353	\$330,709,013	\$336,480,232	\$338,870,045	\$341,295,522
Annual % Growth	-0.8%	1.9%	1.7%	0.7%	0.7%
Change % from March 2020 RFC	-5.7%	-4.6%	-3.6%	na	na

Highway Fund revenue estimates are revised downward by \$0.2 million for FY21 and by \$7.0 million for the 2022-2023 biennium. Relative to the RFC's pre-pandemic March 2020 forecast, Highway Fund revenues are now projected to be \$19.6 million lower in FY21 and \$28.4 million lower for the 2022-2023 biennium. The downward adjustments in the May 2021 forecast are largely the result of negative adjustments in motor fuels tax revenue of -\$3.5 million in FY21 and -\$7.0 million for the 2022-2023 biennium. The May 2021 motor fuels tax adjustments are offset in FY21 by one-time increases totaling \$3.4 million in motor vehicle registrations and fees.

Fund for a Healthy Maine Summary

	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$39,594,439	\$39,587,533	\$44,288,952		
Annual % Growth	-20.1%	0.0%	11.9%		
Net Increase (Decrease)	\$4,032,665	\$2,681,291	(\$3,315,628)		
August 2020 Forecast	\$43,627,104	\$42,268,823	\$40,973,323		
Annual % Growth	-11.9%	-3.1%	-3.1%		
Net Increase (Decrease)	\$1,124,815	\$235,817	(\$63,459)		
December 2020 Forecast	\$44,751,919	\$42,504,640	\$40,909,864	\$41,004,823	\$41,017,289
Annual % Growth	-9.7%	-5.0%	-3.8%	0.2%	0.0%
Net Increase (Decrease)	\$7,149,845	\$430,542	\$547,708	\$560,302	\$560,989
May 2021 Forecast	\$51,901,764	\$42,935,182	\$41,457,572	\$41,565,125	\$41,578,278
Annual % Growth	4.8%	-17.3%	-3.4%	0.3%	0.0%

Fund for a Healthy Maine (FHM) revenue estimates are revised upward by \$7.1 million for FY21 and by \$1.0 million for the 2022-2023 biennium. The significant upward adjustment for FY21 is the result of the State's Tobacco Settlement Payment received in April of 2021 exceeding the budgeted amount by \$6.8 million. No changes to future-year Tobacco Settlement Payment estimates are being made in this forecast. Updated national estimates are expected in the coming months and will be considered for the December 2021 RFC forecast. Increases in 2022-2023 biennium FHM revenue estimates reflect increases 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 adjustments in income from investments.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$215,621,936	\$215,621,936	\$215,621,936		
Annual % Growth	0.7%	0.0%	0.0%		
Net Increase (Decrease)	(\$1,512,840)	(\$1,512,840)	(\$1,512,840)		
August 2020 Forecast	\$214,109,096	\$214,109,096	\$214,109,096		
Annual % Growth	0.0%	0.0%	0.0%		
Net Increase (Decrease)	\$2,390,395	\$0	\$0		
December 2020 Forecast	\$216,499,491	\$214,109,096	\$214,109,096	\$214,109,096	\$214,109,096
Annual % Growth	1.1%	-1.1%	0.0%	0.0%	0.0%
Net Increase (Decrease) Enacted Leg.	\$0	\$14,797,648	\$11,818,376	\$11,818,376	\$11,818,376
Net Increase (Decrease) Forecast	(\$5,104,524)	(\$5,104,524)	(\$5,104,524)	(\$5,104,524)	(\$5,104,524)
May 2021 Forecast	\$211,394,967	\$223,802,220	\$220,822,948	\$220,822,948	\$220,822,948
Annual % Growth	-1.3%	5.9%	-1.3%	0.0%	0.0%

Medicaid/MaineCare Dedicated revenue estimates are revised downward by \$5.1 million for FY21 and by \$5.1 million per year for the 2022-2023 biennium. These negative adjustments reflect decreases in FY21 dedicated revenue from the nursing facility tax and from the service provider tax that are assumed to carry forward though the forecast period.

Conclusion

Over the last year both the CEFC and RFC have made unusually large adjustments to their previous forecasts as both forecasting groups, along with other economic and revenue forecasters, have tried to understand and adjust to changing health and economic conditions caused by the historic global pandemic. In addition, the fiscal and monetary response by Congress and the Federal Reserve System is the largest as a percentage of GDP since the Great Depression and has included tax and expenditure programs unique to the economic dislocations caused by the pandemic induced recession. While the percentage of the population that has received the COVID-19 vaccine continues to climb and herd immunity is expected by early to mid-summer, a high degree of uncertainty remains about the state of the pandemic and the path of the economy later this year and next. Both the CEFC and the RFC remain committed to using the flexibility provided to us by Maine's Consensus Revenue Forecasting law (5 MRS, Chapter 151-B) to make sure the Governor and Legislature are updated as quickly and as accurately as possible as health and economic conditions change between this forecast exercise and the next one later this fall.



Appendix A

General Fund Summary Table

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Sales and Use Tax	1,336,944,791	1,423,551,101	6.5%	1,503,771,784	5.6%	1,555,713,076	3.5%	1,593,571,678	2.4%	177,290,000	1,770,861,678	13.8%
Service Provider Tax	61,211,051	59,601,858	-2.6%	59,012,956	-1.0%	58,012,511	-1.7%	56,562,000	-2.5%	(4,000,000)	52,562,000	-9.4%
Individual Income Tax	1,523,852,981	1,595,191,847	4.7%	1,701,005,768	6.6%	1,835,972,805	7.9%	1,582,896,250	-13.8%	224,000,000	1,806,896,250	-1.6%
Corporate Income Tax	175,239,114	185,737,065	6.0%	252,866,884	36.1%	216,131,489	-14.5%	187,035,000	-13.5%	59,000,000	246,035,000	13.8%
Cigarette and Tobacco Tax	144,243,207	132,949,700	-7.8%	125,977,694	-5.2%	137,331,317	9.0%	144,401,400	5.1%	(1,711,400)	142,690,000	3.9%
Insurance Companies Tax	76,553,592	73,468,185	-4.0%	77,277,183	5.2%	82,145,116	6.3%	84,400,000	2.7%	(50,000)	84,350,000	2.7%
Estate Tax	11,717,686	13,801,409	17.8%	15,851,350	14.9%	21,079,344	33.0%	18,050,000	-14.4%	22,000,000	40,050,000	90.0%
Other Taxes and Fees *	148,183,240	145,822,739	-1.6%	150,110,769	2.9%	139,144,510	-7.3%	144,027,645	3.5%	3,049,562	147,077,207	5.7%
Fines, Forfeits and Penalties	19,589,175	18,402,955	-6.1%	15,485,118	-15.9%	9,986,146	-35.5%	9,387,746	-6.0%	766,440	10,154,186	1.7%
Income from Investments	3,592,268	6,601,717	83.8%	12,474,570	89.0%	12,121,418	-2.8%	5,383,431	-55.6%	912,631	6,296,062	-48.1%
Transfer from Lottery Commission	58,219,690	62,307,123	7.0%	62,675,109	0.6%	64,589,742	3.1%	60,000,000	-7.1%	5,000,000	65,000,000	0.6%
Transfers to Tax Relief Programs *	(63,961,530)	(65,413,185)	-2.3%	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,667,000)	-1.4%	1,204,700	(74,462,300)	0.2%
Transfers to Municipal Rev. Sharing	(65,228,793)	(69,338,529)	-6.3%	(74,095,532)	-6.9%	(113,613,360)	-53.3%	(132,751,470)	-16.8%	(15,475,215)	(148,226,685)	-30.5%
Other Revenue *	24,747,389	4,991,864	-79.8%	14,185,246	184.2%	25,367,559	78.8%	14,217,173	-44.0%	7,442,261	21,659,434	-14.6%
Total - General Fund Revenue	3,454,903,862	3,587,675,847	3.8%	3,848,511,092	7.3%	3,969,343,702	3.1%	3,691,513,853	-7.0%	479,428,979	4,170,942,832	5.1%

* Additional detail provided on pages 4, 5 and 6

1/ Includes estimated revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$2.5 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

2/ Includes estimated revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$3.0 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Sales and Use Tax ¹	1,712,642,422	7.5%	93,650,000	1,806,292,422	2.0%	1,791,923,237	4.6%	81,290,000	1,873,213,237	3.7%
Service Provider Tax	55,997,000	-1.0%	(4,997,000)	51,000,000	-3.0%	55,437,000	-1.0%	(5,437,000)	50,000,000	-2.0%
Individual Income Tax	1,738,055,000	9.8%	150,000,000	1,888,055,000	4.5%	1,828,709,375	5.2%	140,000,000	1,968,709,375	4.3%
Corporate Income Tax	223,233,737	19.4%	(6,000,000)	217,233,737	-11.7%	239,048,199	7.1%	0	239,048,199	10.0%
Cigarette and Tobacco Tax ²	148,971,771	3.2%	1,455,229	150,427,000	5.4%	151,559,736	1.7%	1,649,264	153,209,000	1.8%
Insurance Companies Tax	88,250,000	4.6%	0	88,250,000	4.6%	88,700,000	0.5%	100,000	88,800,000	0.6%
Estate Tax	14,750,000	-18.3%	11,100,000	25,850,000	-35.5%	16,750,000	13.6%	1,750,000	18,500,000	-28.4%
Other Taxes and Fees *	144,145,560	0.1%	2,175,627	146,321,187	-0.5%	146,953,264	1.9%	2,573,072	149,526,336	2.2%
Fines, Forfeits and Penalties	12,430,166	32.4%	0	12,430,166	22.4%	12,434,166	0.0%	0	12,434,166	0.0%
Income from Investments	3,326,083	-38.2%	(388,220)	2,937,863	-53.3%	949,998	-71.4%	871,786	1,821,784	-38.0%
Transfer from Lottery Commission	60,000,000	0.0%	0	60,000,000	-7.7%	60,000,000	0.0%	0	60,000,000	0.0%
Transfers to Tax Relief Programs *	(77,250,000)	-2.1%	1,100,000	(76,150,000)	-2.3%	(80,800,000)	-4.6%	1,100,000	(79,700,000)	-4.7%
Transfers to Municipal Rev. Sharing	(143,169,037)	-7.8%	(9,257,814)	(152,426,851)	-2.8%	(150,308,461)	-5.0%	(8,247,072)	(158,555,533)	-4.0%
Other Revenue *	25,697,361	80.7%	2,506,991	28,204,352	30.2%	16,305,947	-36.5%	3,536,462	19,842,409	-29.6%
Total - General Fund Revenue	4,007,080,063	8.5%	241,344,813	4,248,424,876	1.9%	4,177,662,461	4.3%	219,186,512	4,396,848,973	3.5%
Change in Biennial Totals								460,531,325		

* Additional detail provided on pages 4, 5 and 6

1/ Includes estimated revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$2.5 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

2/ Includes estimated revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$3.0 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Sales and Use Tax ¹	1,858,700,000	3.7%	77,670,000	1,936,370,000	3.4%	1,914,800,000	3.0%	68,860,000	1,983,660,000	2.4%
Service Provider Tax	54,882,000	-1.0%	(5,382,000)	49,500,000	-1.0%	54,333,000	-1.0%	(5,333,000)	49,000,000	-1.0%
Individual Income Tax	1,923,127,000	5.2%	130,000,000	2,053,127,000	4.3%	2,025,625,000	5.3%	122,000,000	2,147,625,000	4.6%
Corporate Income Tax	245,508,000	2.7%	22,000,000	267,508,000	11.9%	252,245,000	2.7%	28,500,000	280,745,000	4.9%
Cigarette and Tobacco Tax ²	153,104,000	1.0%	1,931,000	155,035,000	1.2%	156,193,000	2.0%	2,244,000	158,437,000	2.2%
Insurance Companies Tax	86,050,000	-3.0%	50,000	86,100,000	-3.0%	86,900,000	1.0%	150,000	87,050,000	1.1%
Estate Tax	17,900,000	6.9%	1,200,000	19,100,000	3.2%	18,500,000	3.4%	1,200,000	19,700,000	3.1%
Other Taxes and Fees *	148,223,820	0.9%	1,488,230	149,712,050	0.1%	149,294,639	0.7%	922,458	150,217,097	0.3%
Fines, Forfeits and Penalties	12,438,166	0.0%	0	12,438,166	0.0%	12,442,366	0.0%	0	12,442,366	0.0%
Income from Investments	1,192,397	25.5%	572,671	1,765,068	-3.1%	1,843,649	54.6%	289,975	2,133,624	20.9%
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%
Transfers to Tax Relief Programs *	(84,200,000)	-4.2%	1,100,000	(83,100,000)	-4.3%	(87,800,000)	-4.3%	1,100,000	(86,700,000)	-4.3%
Transfers to Municipal Rev. Sharing	(207,343,140)	-37.9%	(11,219,893)	(218,563,033)	-37.8%	(215,586,715)	-4.0%	(10,665,433)	(226,252,148)	-3.5%
Other Revenue *	12,558,635	-23.0%	3,887,639	16,446,274	-17.1%	8,761,523	-30.2%	3,948,979	12,710,502	-22.7%
Total - General Fund Revenue	4,282,140,878	2.5%	223,297,647	4,505,438,525	2.5%	4,437,551,462	3.6%	213,216,979	4,650,768,441	3.2%
								436,514,626		

* Additional detail provided on pages 4, 5 and 6

1/ Includes estimated revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$2.5 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

2/ Includes estimated revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$3.0 million in FY21; \$13.0 million in FY22; \$18.0 million in FY23; \$22 million in FY24 and \$27.0 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 \$0.5 million in FY21; \$2.9 million in FY 22; \$4.2 million in FY23; \$5.2 million in FY24 and \$6.3 million in FY25.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Detail of Other Taxes and Fees:												
- Property Tax - Unorganized Territory	13,578,696	14,188,381	4.5%	13,334,138	-6.0%	12,547,461	-5.9%	14,713,169	17.3%	0	14,713,169	17.3%
- Real Estate Transfer Tax	17,059,116	15,927,432	-6.6%	19,105,924	20.0%	16,501,776	-13.6%	20,767,964	25.9%	887,789	21,655,753	31.2%
- Liquor Taxes and Fees	23,249,843	23,680,230	1.9%	23,931,346	1.1%	20,854,729	-12.9%	22,093,824	5.9%	0	22,093,824	5.9%
- Corporation Fees & Licenses	10,540,087	11,094,542	5.3%	10,759,676	-3.0%	11,777,263	9.5%	10,138,649	-13.9%	1,000,000	11,138,649	-5.4%
- Telecommunications Excise Tax	6,248,478	6,221,980	-0.4%	6,317,492	1.5%	6,418,268	1.6%	6,100,000	-5.0%	400,000	6,500,000	1.3%
- Finance Industry Fees	30,019,796	29,201,565	-2.7%	29,082,500	-0.4%	27,952,210	-3.9%	26,916,990	-3.7%	40,750	26,957,740	-3.6%
- Milk Handling Fee	4,613,496	4,916,070	6.6%	4,848,648	-1.4%	1,676,018	-65.4%	3,446,341	105.6%	100,426	3,546,767	111.6%
- Casino and Racino Revenue	8,624,011	8,367,971	-3.0%	8,468,389	1.2%	6,542,913	-22.7%	6,068,950	-7.2%	675,853	6,744,803	3.1%
- Boat, ATV and Snowmobile Fees	4,712,468	4,482,839	-4.9%	4,700,071	4.8%	4,970,419	5.8%	4,523,561	-9.0%	0	4,523,561	-9.0%
- Hunting and Fishing License Fees	16,268,782	16,164,837	-0.6%	16,282,770	0.7%	16,514,289	1.4%	15,986,716	-3.2%	0	15,986,716	-3.2%
- Other Miscellaneous Taxes and Fees	13,268,468	11,576,892	-12.7%	13,279,816	14.7%	13,389,164	0.8%	13,271,481	-0.9%	(55,256)	13,216,225	-1.3%
Subtotal - Other Taxes and Fees	148,183,240	145,822,739	-1.6%	150,110,769	2.9%	139,144,510	-7.3%	144,027,645	3.5%	3,049,562	147,077,207	5.7%
Detail of Other Revenue:												
- Liquor Sales and Operations	9,860,579	50,272	-99.5%	56,150	11.7%	55,400	-1.3%	28,500	-48.6%	0	28,500	-48.6%
- Targeted Case Management (HHS)	1,820,831	607,782	-66.6%	246,356	-59.5%	80,953	-67.1%	158,160	95.4%	(75,000)	83,160	2.7%
- State Cost Allocation Program	19,459,021	17,229,423	-11.5%	18,291,345	6.2%	24,911,989	36.2%	25,410,229	2.0%	2,481,221	27,891,450	12.0%
- Unclaimed Property Transfer	5,767,234	6,565,469	13.8%	9,592,815	46.1%	10,830,298	12.9%	6,200,000	-42.8%	6,000,000	12,200,000	12.6%
- Tourism Transfer	(14,590,665)	(16,076,758)	-10.2%	(17,171,837)	-6.8%	(18,150,386)	-5.7%	(17,076,345)	5.9%	0	(17,076,345)	5.9%
- Transfer to Maine Milk Pool	(15,233,744)	(15,857,558)	-4.1%	(15,220,840)	4.0%	(9,921,284)	34.8%	(11,916,383)	-20.1%	(861,937)	(12,778,320)	-28.8%
- Transfer to Multimodal Transportation I	(7,908,006)	(8,899,944)	-12.5%	(9,439,886)	-6.1%	(11,138,493)	-18.0%	(9,911,067)	11.0%	0	(9,911,067)	11.0%
- Other Miscellaneous Revenue	25,572,140	21,373,178	-16.4%	27,831,142	30.2%	28,699,082	3.1%	21,324,079	-25.7%	(102,023)	21,222,056	-26.1%
Subtotal - Other Revenue	24,747,389	4,991,864	-79.8%	14,185,246	184.2%	25,367,559	78.8%	14,217,173	-44.0%	7,442,261	21,659,434	-14.6%
Detail of Transfers to Tax Relief Programs:												
- Maine Resident Property Tax Program	(60,303)	35,130	158.3%	(12,497)	-135.6%	47,546	480.5%	0	-100.0%	0	0	-100.0%
- BETR - Business Equip. Tax Reimb.	(31,511,125)	(29,863,832)	5.2%	(24,913,358)	16.6%	(25,490,793)	-2.3%	(21,600,000)	15.3%	1,100,000	(20,500,000)	19.6%
- BETE - Municipal Bus. Equip. Tax Reir	(32,390,102)	(35,584,483)	-9.9%	(43,161,952)	-21.3%	(49,194,722)	-14.0%	(54,067,000)	-9.9%	104,700	(53,962,300)	-9.7%
Subtotal - Tax Relief Transfers	(63,961,530)	(65,413,185)	-2.3%	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,667,000)	-1.4%	1,204,700	(74,462,300)	0.2%
IF&W Total Revenue **	22,015,827	21,596,400	-1.9%	21,933,023	1.6%	22,314,353	1.7%	21,360,663	-4.3%	(5,130)	21,355,533	-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 - MAY 2021 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% 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%
- Real Estate Transfer Tax	21,486,830	3.5%	1,083,719	22,570,549	4.2%	22,439,522	4.4%	1,124,709	23,564,231	4.4%
- 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%
- Corporation Fees & Licenses	9,938,649	-2.0%	500,000	10,438,649	-6.3%	9,938,649	0.0%	500,000	10,438,649	0.0%
- Telecommunications Excise Tax	6,000,000	-1.6%	200,000	6,200,000	-4.6%	6,000,000	0.0%	200,000	6,200,000	0.0%
- Finance Industry Fees	26,916,990	0.0%	0	26,916,990	-0.2%	26,916,990	0.0%	0	26,916,990	0.0%
- Milk Handling Fee	2,067,610	-40.0%	(289,954)	1,777,656	-49.9%	1,908,564	-7.7%	(130,908)	1,777,656	0.0%
- Casino and Racino Revenue	6,445,436	6.2%	712,358	7,157,794	6.1%	8,553,259	32.7%	908,571	9,461,830	32.2%
- Boat, ATV and Snowmobile Fees	4,523,561	0.0%	0	4,523,561	0.0%	4,523,561	0.0%	0	4,523,561	0.0%
- Hunting and Fishing License Fees	15,986,716	0.0%	0	15,986,716	0.0%	15,986,716	0.0%	0	15,986,716	0.0%
- Other Miscellaneous Taxes and Fe	13,872,775	4.5%	(30,496)	13,842,279	4.7%	13,779,010	-0.7%	(29,300)	13,749,710	-0.7%
Subtotal - Other Taxes and Fees	144,145,560	0.1%	2,175,627	146,321,187	-0.5%	146,953,264	1.9%	2,573,072	149,526,336	2.2%
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%
- Targeted Case Management (HHS)	158,160	0.0%	(75,000)	83,160	0.0%	158,160	0.0%	(75,000)	83,160	0.0%
- State Cost Allocation Program	25,918,434	2.0%	0	25,918,434	-7.1%	26,436,803	2.0%	0	26,436,803	2.0%
- Unclaimed Property Transfer	6,200,000	0.0%	0	6,200,000	-49.2%	4,700,000	-24.2%	0	4,700,000	-24.2%
- Tourism Transfer	(14,464,000)	15.3%	(405,000)	(14,869,000)	12.9%	(18,398,000)	-27.2%	(575,000)	(18,973,000)	-27.6%
- Transfer to Maine Milk Pool	(9,074,100)	23.9%	3,081,407	(5,992,693)	53.1%	(8,322,017)	8.3%	3,426,615	(4,895,402)	18.3%
- Transfer to Multimodal Transport	(6,780,000)	31.6%	(232,000)	(7,012,000)	29.3%	(10,867,000)	-60.3%	475,000	(10,392,000)	-48.2%
- Other Miscellaneous Revenue	23,710,367	11.2%	137,584	23,847,951	12.4%	22,569,501	-4.8%	284,847	22,854,348	-4.2%
Subtotal - Other Revenue	25,697,361	80.7%	2,506,991	28,204,352	30.2%	16,305,947	-36.5%	3,536,462	19,842,409	-29.6%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Proq	0	N/A	0	0	N/A	0	N/A	0	0	N/A
- BETR - Business Equip. Tax Rein	(20,200,000)	6.5%	1,100,000	(19,100,000)	6.8%	(18,900,000)	6.4%	1,100,000	(17,800,000)	6.8%
- BETE - Municipal Bus. Equip. Ta	(57,050,000)	-5.5%	0	(57,050,000)	-5.7%	(61,900,000)	-8.5%	0	(61,900,000)	-8.5%
Subtotal - Tax Relief Transfers	(77,250,000)	-2.1%	1,100,000	(76,150,000)	-2.3%	(80,800,000)	-4.6%	1,100,000	(79,700,000)	-4.7%
IF&W Total Revenue **	21,477,177	0.5%	(4,379)	21,472,798	0.5%	21,483,412	0.0%	(3,183)	21,480,229	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.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	14,813,169	0.0%	0	14,813,169	0.0%	14,813,169	0.0%	0	14,813,169	0.0%
- Real Estate Transfer Tax	23,841,000	6.2%	0	23,841,000	1.2%	24,868,000	4.3%	(568,700)	24,299,300	1.9%
- 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%
- Corporation Fees & Licenses	9,938,649	0.0%	500,000	10,438,649	0.0%	9,938,649	0.0%	500,000	10,438,649	0.0%
- Telecommunications Excise Tax	6,000,000	0.0%	200,000	6,200,000	0.0%	6,000,000	0.0%	200,000	6,200,000	0.0%
- Finance Industry Fees	26,916,990	0.0%	0	26,916,990	0.0%	26,916,990	0.0%	0	26,916,990	0.0%
- Milk Handling Fee	1,908,564	0.0%	(130,908)	1,777,656	0.0%	1,908,564	0.0%	(130,908)	1,777,656	0.0%
- Casino and Racino Revenue	8,719,518	1.9%	930,653	9,650,171	2.0%	8,760,488	0.5%	933,614	9,694,102	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%
- 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%
- Other Miscellaneous Taxes and Fees	13,481,829	-2.2%	(11,515)	13,470,314	-2.0%	13,484,678	0.0%	(11,548)	13,473,130	0.0%
Subtotal - Other Taxes and Fees	148,223,820	0.9%	1,488,230	149,712,050	0.1%	149,294,639	0.7%	922,458	150,217,097	0.3%
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%
- Targeted Case Management (HHS)	158,160	0.0%	(75,000)	83,160	0.0%	158,160	0.0%	(75,000)	83,160	0.0%
- State Cost Allocation Program	26,436,803	0.0%	0	26,436,803	0.0%	26,436,803	0.0%	0	26,436,803	0.0%
- Unclaimed Property Transfer	3,200,000	-31.9%	0	3,200,000	-31.9%	2,000,000	-37.5%	0	2,000,000	-37.5%
- Tourism Transfer	(19,235,000)	-4.5%	(300,000)	(19,535,000)	-3.0%	(20,245,000)	-5.3%	(200,000)	(20,445,000)	-4.7%
- Transfer to Maine Milk Pool	(8,318,309)	0.0%	3,426,812	(4,891,497)	0.1%	(8,314,563)	0.0%	3,427,010	(4,887,553)	0.1%
- Transfer to Multimodal Transportation Fund	(11,390,000)	-4.8%	470,000	(10,920,000)	-5.1%	(11,810,000)	-3.7%	480,000	(11,330,000)	-3.8%
- Other Miscellaneous Revenue	21,678,481	-3.9%	365,827	22,044,308	-3.5%	20,507,623	-5.4%	316,969	20,824,592	-5.5%
Subtotal - Other Revenue	12,558,635	-23.0%	3,887,639	16,446,274	-17.1%	8,761,523	-30.2%	3,948,979	12,710,502	-22.7%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Program	0	N/A	0	0	N/A	0	N/A	0	0	N/A
- BETR - Business Equip. Tax Reimb.	(17,750,000)	6.1%	1,100,000	(16,650,000)	6.5%	(16,700,000)	5.9%	1,100,000	(15,600,000)	6.3%
- BETE - Municipal Bus. Equip. Tax Reimb.	(66,450,000)	-7.4%	0	(66,450,000)	-7.4%	(71,100,000)	-7.0%	0	(71,100,000)	-7.0%
Subtotal - Tax Relief Transfers	(84,200,000)	-4.2%	1,100,000	(83,100,000)	-4.3%	(87,800,000)	-4.3%	1,100,000	(86,700,000)	-4.3%
IF&W Total Revenue **	21,486,231	0.0%	(3,213)	21,483,018	0.0%	21,489,080	0.0%	(3,246)	21,485,834	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 - MAY 2021 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Fuel Taxes												
- Gasoline Tax	\$201,581,952	206,410,302	2.4%	205,925,094	-0.2%	194,181,501	-5.7%	190,075,000	-2.1%	(3,775,475)	186,299,525	-4.1%
- Special Fuel and Road Use Taxes	\$50,364,054	43,150,896	-14.3%	49,588,218	14.9%	47,413,587	-4.4%	46,895,000	-1.1%	(106,000)	46,789,000	-1.3%
- Transcap Transfers - Fuel Taxes	(\$18,589,483)	(18,398,369)	1.0%	(18,777,306)	-2.1%	(17,774,919)	5.3%	(17,422,581)	2.0%	284,865	(17,137,716)	3.6%
- Other Fund Gasoline Tax Distributions	(\$5,065,081)	(5,166,427)	-2.0%	(5,149,578)	0.3%	(4,849,535)	5.8%	(4,759,067)	1.9%	93,026	(4,666,041)	3.8%
Subtotal - Fuel Taxes	\$228,291,442	225,996,401	-1.0%	231,586,428	2.5%	218,970,635	-5.4%	214,788,352	-1.9%	(3,503,584)	211,284,768	-3.5%
Motor Vehicle Registration and Fees												
- Motor Vehicle Registration Fees	\$68,345,517	68,660,358	0.5%	69,615,829	1.4%	64,969,278	-6.7%	70,978,632	9.2%	890,000	71,868,632	10.6%
- License Plate Fees	\$3,709,500	3,747,816	1.0%	3,861,249	3.0%	3,829,530	-0.8%	3,642,643	-4.9%	175,000	3,817,643	-0.3%
- Long-term Trailer Registration Fees	\$11,768,669	13,279,792	12.8%	15,134,872	14.0%	14,186,866	-6.3%	11,384,523	-19.8%	1,000,000	12,384,523	-12.7%
- Title Fees	\$14,298,502	14,526,092	1.6%	15,181,423	4.5%	14,523,225	-4.3%	14,325,795	-1.4%	1,200,000	15,525,795	6.9%
- Motor Vehicle Operator License Fees	\$8,956,575	8,752,147	-2.3%	9,521,698	8.8%	8,646,784	-9.2%	9,307,411	7.6%	800,000	10,107,411	16.9%
- Transcap Transfers - Motor Vehicle Fees	(\$16,101,245)	(16,191,340)	-0.6%	(16,384,440)	-1.2%	(15,507,585)	5.4%	(16,823,983)	-8.5%	(630,000)	(17,453,983)	-12.6%
Subtotal - Motor Vehicle Reg. & Fees	\$90,977,518	92,774,864	2.0%	96,930,631	4.5%	90,648,098	-6.5%	92,815,021	2.4%	3,435,000	96,250,021	6.2%
Motor Vehicle Inspection Fees	\$3,410,700	3,373,100	-1.1%	3,324,510	-1.4%	3,120,970	-6.1%	3,092,771	-0.9%	(339,543)	2,753,228	-11.8%
Other Highway Fund Taxes and Fees	\$1,378,535	1,490,993	8.2%	1,508,539	1.2%	1,280,909	-15.1%	1,267,454	-1.1%	100,000	1,367,454	6.8%
Fines, Forfeits and Penalties	\$719,555	724,478	0.7%	610,373	-15.7%	899,735	47.4%	412,286	-54.2%	13,815	426,101	-52.6%
Income from Investments	\$348,432	326,847	-6.2%	893,027	173.2%	257,790	-71.1%	174,622	-32.3%	86,828	261,450	1.4%
Other Highway Fund Revenues	\$9,191,942	10,943,111	19.1%	11,640,306	6.4%	11,998,433	3.1%	12,119,901	1.0%	(19,570)	12,100,331	0.8%
Total - Highway Fund Revenue	\$334,318,123	335,629,795	0.4%	346,493,814	3.2%	327,176,570	-5.6%	324,670,407	-0.8%	(227,054)	324,443,353	-0.8%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	204,193,000	7.4%	(3,243,000)	200,950,000	7.9%	208,810,000	2.3%	(2,357,000)	206,453,000	2.7%
- Special Fuel and Road Use Taxes	47,939,501	2.2%	(1,041,301)	46,898,200	0.2%	48,792,095	1.8%	(1,061,422)	47,730,673	1.8%
- Transcap Transfers - Fuel Taxes	(18,526,969)	-6.3%	315,241	(18,211,728)	-6.3%	(18,928,529)	-2.2%	251,962	(18,676,567)	-2.6%
- Other Fund Gasoline Tax Distributions	(5,106,253)	-7.3%	81,097	(5,025,156)	-7.7%	(5,221,709)	-2.3%	58,941	(5,162,768)	-2.7%
Subtotal - Fuel Taxes	228,499,279	6.4%	(3,887,963)	224,611,316	6.3%	233,451,857	2.2%	(3,107,519)	230,344,338	2.6%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,162,203	-2.6%	0	69,162,203	-3.8%	69,162,203	0.0%	0	69,162,203	0.0%
- License Plate Fees	3,642,643	0.0%	0	3,642,643	-4.6%	3,642,643	0.0%	0	3,642,643	0.0%
- Long-term Trailer Registration Fees	10,884,523	-4.4%	0	10,884,523	-12.1%	10,884,523	0.0%	0	10,884,523	0.0%
- Title Fees	14,325,795	0.0%	0	14,325,795	-7.7%	14,325,795	0.0%	0	14,325,795	0.0%
- Motor Vehicle Operator License Fees	9,698,036	4.2%	0	9,698,036	-4.1%	9,698,036	0.0%	0	9,698,036	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,518,054)	1.8%	0	(16,518,054)	5.4%	(16,518,054)	0.0%	0	(16,518,054)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	91,195,146	-1.7%	0	91,195,146	-5.3%	91,195,146	0.0%	0	91,195,146	0.0%
Motor Vehicle Inspection Fees	3,202,500	3.5%	0	3,202,500	16.3%	3,202,500	0.0%	0	3,202,500	0.0%
Other Highway Fund Taxes and Fees	1,267,454	0.0%	0	1,267,454	-7.3%	1,267,454	0.0%	0	1,267,454	0.0%
Fines, Forfeits and Penalties	606,412	47.1%	0	606,412	42.3%	606,412	0.0%	0	606,412	0.0%
Income from Investments	93,993	-46.2%	(7,129)	86,864	-66.8%	27,768	-70.5%	32,149	59,917	-31.0%
Other Highway Fund Revenues	9,739,321	-19.6%	0	9,739,321	-19.5%	9,804,465	0.7%	0	9,804,465	0.7%
Total - Highway Fund Revenue	334,604,105	3.1%	(3,895,092)	330,709,013	1.9%	339,555,602	1.5%	(3,075,370)	336,480,232	1.7%
Change in Biennial Totals								(6,970,462)		

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	210,897,700	1.0%	(2,379,700)	208,518,000	1.0%	213,007,407	1.0%	(2,403,637)	210,603,770	1.0%
- Special Fuel and Road Use Taxes	49,369,016	1.2%	(1,075,036)	48,293,980	1.2%	49,951,706	1.2%	(1,088,786)	48,862,920	1.2%
- Transcap Transfers - Fuel Taxes	(19,124,460)	-1.0%	254,642	(18,869,818)	-1.0%	(19,322,433)	-1.0%	257,424	(19,065,009)	-1.0%
- Other Fund Gasoline Tax Distributions	(5,273,919)	-1.0%	59,510	(5,214,409)	-1.0%	(5,326,676)	-1.0%	60,107	(5,266,569)	-1.0%
Subtotal - Fuel Taxes	235,868,337	1.0%	(3,140,584)	232,727,753	1.0%	238,310,004	1.0%	(3,174,892)	235,135,112	1.0%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,162,203	0.0%	0	69,162,203	0.0%	69,162,203	0.0%	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%
- Long-term Trailer Registration Fees	10,884,523	0.0%	0	10,884,523	0.0%	10,884,523	0.0%	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%
- Motor Vehicle Operator License Fees	9,698,036	0.0%	0	9,698,036	0.0%	9,698,036	0.0%	0	9,698,036	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,518,054)	0.0%	0	(16,518,054)	0.0%	(16,518,054)	0.0%	0	(16,518,054)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	91,195,146	0.0%	0	91,195,146	0.0%	91,195,146	0.0%	0	91,195,146	0.0%
Motor Vehicle Inspection Fees	3,202,500	0.0%	0	3,202,500	0.0%	3,202,500	0.0%	0	3,202,500	0.0%
Other Highway Fund Taxes and Fees	1,267,454	0.0%	0	1,267,454	0.0%	1,267,454	0.0%	0	1,267,454	0.0%
Fines, Forfeits and Penalties	606,412	0.0%	0	606,412	0.0%	606,412	0.0%	0	606,412	0.0%
Income from Investments	36,317	30.8%	29,998	66,315	10.7%	55,693	53.4%	28,740	84,433	27.3%
Other Highway Fund Revenues	9,804,465	0.0%	0	9,804,465	0.0%	9,804,465	0.0%	0	9,804,465	0.0%
Total - Highway Fund Revenue	341,980,631	0.7%	(3,110,586)	338,870,045	0.7%	344,441,674	0.7%	(3,146,152)	341,295,522	0.7%
Change in Biennial Totals								(6,256,738)		



Appendix C

Fund for a Healthy Maine Summary **Table**

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT PAYMENTS)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST**

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Tobacco Settlement Payments:												
- Base Payments	42,587,291	46,658,590	9.6%	45,465,742	-2.6%	46,272,664	1.8%	41,780,569	-9.7%	6,803,780	48,584,349	5.0%
- One-time DPA Settlements *	0	21,242,331		32,488,828	52.9%	0	-100.0%	0	N/A	0	0	N/A
- Strategic Contribution Payments **	8,794,086	0	-100.0%	0	N/A	0	N/A	0	N/A	0	0	N/A
Subtotal TSPs	51,381,377	67,900,922	32.2%	77,954,570	14.8%	46,272,664	-40.6%	41,780,569	-9.7%	6,803,780	48,584,349	5.0%
Casino Revenue ***	3,797,297	3,680,035	-3.1%	3,640,004	-1.09%	2,773,875	-23.79%	2,840,909	2.4%	359,268	3,200,177	15.4%
Income from Investments	49,454	146,419	196.1%	583,469	298.5%	496,816	-14.9%	130,441	-73.7%	(13,203)	117,238	-76.4%
Total - FHM Revenue	55,228,128	71,727,375	29.9%	82,178,042	14.6%	49,543,354	-39.7%	44,751,919	-9.7%	7,149,845	51,901,764	4.8%

* 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 - MAY 2021 FORECAST**

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	39,325,133	-5.9%	0	39,325,133	-19.1%	37,156,619	-5.5%	0	37,156,619	-5.5%
- One-time DPA Settlements *	0	N/A	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	39,325,133	-5.9%	0	39,325,133	-19.1%	37,156,619	-5.5%	0	37,156,619	-5.5%
Casino Revenue ***	3,116,152	9.7%	450,510	3,566,662	11.5%	3,746,412	20.2%	541,629	4,288,041	20.2%
Income from Investments	63,355	-51.4%	(19,968)	43,387	-63.0%	6,833	-89.2%	6,079	12,912	-70.2%
Total - FHM Revenue	42,504,640	-5.0%	430,542	42,935,182	-17.3%	40,909,864	-3.8%	547,708	41,457,572	-3.4%
Change in Biennial Totals								978,250		

* 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 - MAY 2021 FORECAST**

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	37,156,619	0.0%	0	37,156,619	0.0%	37,156,619	0.0%	0	37,156,619	0.0%
- One-time DPA Settlements *		N/A	0	0	N/A		N/A	0	0	N/A
- Strategic Contribution Payments **		N/A	0	0	N/A		N/A	0	0	N/A
Subtotal TSPs	37,156,619	0.0%	0	37,156,619	0.0%	37,156,619	0.0%	0	37,156,619	0.0%
Casino Revenue ***	3,840,073	-10.4%	555,169	4,395,242	2.5%	3,849,673	0.2%	556,557	4,406,230	0.2%
Income from Investments	8,131	-37.0%	5,133	13,264	2.7%	10,997	35.2%	4,432	15,429	16.3%
Total - FHM Revenue	41,004,823	-1.1%	560,302	41,565,125	0.3%	41,017,289	0.0%	560,989	41,578,278	0.0%
Change in Biennial Totals								1,121,291		

* 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 - MAY 2021 FORECAST

Source	FY 17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Budget	% Chg.	Recom. Chg.	FY21 Revised	% Chg.
Nursing Facility Tax	36,162,788	33,755,577	-6.7%	34,999,161	3.7%	43,432,833	24.1%	44,522,563	2.5%	(3,658,759)	40,863,804	-5.9%
Residential Treatment Facility (ICFs/MR) Tax	1,939,129	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,494,963	10.9%	(102,758)	2,392,205	6.3%
Hospital Tax *	95,028,525	103,355,698	8.8%	102,503,718	-0.8%	115,464,903	12.6%	115,888,143	0.4%	19	115,888,162	0.4%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	43,710,762	45,960,421	5.1%	50,424,722	9.7%	52,990,306	5.1%	53,593,822	1.1%	(1,343,026)	52,250,796	-1.4%
Total - Health Care Provider Taxes	176,841,205	185,149,775	4.7%	189,983,107	2.6%	214,138,364	12.7%	216,499,491	1.1%	(5,104,524)	211,394,967	-1.3%

* 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.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Nursing Facility Tax	42,588,026	-4.3%	(3,658,759)	38,929,267	-4.7%	41,786,220	-1.9%	(3,658,759)	38,127,461	-2.1%
Residential Treatment Facility (ICFs/MR) Tax	2,278,115	-8.7%	(102,758)	2,175,357	-9.1%	2,278,115	0.0%	(102,758)	2,175,357	0.0%
Hospital Tax *	127,706,519	10.2%	19	127,706,538	10.2%	127,706,519	0.0%	19	127,706,538	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	56,334,084	5.1%	(1,343,026)	54,991,058	5.2%	54,156,618	-3.9%	(1,343,026)	52,813,592	-4.0%
Total - Health Care Provider Taxes	228,906,744	5.7%	(5,104,524)	223,802,220	5.9%	225,927,472	-1.3%	(5,104,524)	220,822,948	-1.3%
Change in Biennial Totals									(10,209,048)	

* 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.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2021 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Budget	% Chg.
Nursing Facility Tax	41,786,220	9.6%	(3,658,759)	38,127,461	0.0%	41,786,220	0.0%	(3,658,759)	38,127,461	0.0%
Residential Treatment Facility (ICFs/MR) Tax	2,278,115	4.7%	(102,758)	2,175,357	0.0%	2,278,115	0.0%	(102,758)	2,175,357	0.0%
Hospital Tax *	127,706,519	0.0%	19	127,706,538	0.0%	127,706,519	0.0%	19	127,706,538	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	54,156,618	2.5%	(1,343,026)	52,813,592	0.0%	54,156,618	0.0%	(1,343,026)	52,813,592	0.0%
Total - Health Care Provider Taxes	225,927,472	2.3%	(5,104,524)	220,822,948	0.0%	225,927,472	0.0%	(5,104,524)	220,822,948	0.0%
Change in Biennial Totals								(10,209,048)		

* 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.



Appendix E

Consensus Economic Forecasting **Commission Report**

April 1, 2021

**Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
April 1, 2021**

Commissioners

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

Dr. Chuck Lawton

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

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

Sarah Austin
*Policy Analyst
Maine Center for Economic Policy*

Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on March 30, 2021, to review and revise its forecast through 2025. This meeting follows the forecast update of November 1, 2020. 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 November 2020 forecast. Overall, the commission is more optimistic and sees reduced uncertainty from the two previous pandemic forecasts. Since the last forecast, the CEFC has identified increased clarity regarding the timing and provisions of federal stimulus and vaccine rollout and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. Additionally, the CEFC noted its 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 that stability of K-12 education and childcare services will be a major determinant of the trajectory of recovery. The increase in COVID-19 variants is a new concern, and behaviors relating to vaccine uptake and continued social distancing protocols remain an area of uncertainty.

Record-setting job losses in March and April 2020 were followed by sharp but incomplete gains through the summer, fall, and winter; the CEFC is optimistic about a robust recovery in 2021. Benchmark revisions to 2020 wage and salary employment show a loss of -6.4%, better than the previous forecast loss of -8.0%. Total nonfarm employment is projected to increase by 4.0% in 2021, 2.3% in 2022, 0.7% in 2023, and 0.1% in both 2024 and 2025. The revised forecast anticipates employment will return to pre-pandemic levels by 2023 and continue growing to 640 thousand in 2025. This is a considerable improvement over the November 2020 forecast and reflects optimism regarding the upside risk of increased migration into the state related to remote work along with a faster-than-anticipated rollout of vaccines.

This forecast reflects preliminary actual data for annual 2020 personal income released by the U.S. Bureau of Economic Analysis on March 24, 2021. This resulted in upward revisions for 2020 for total personal income (from 5.3% to 7.6%) as well as several components including wages and salaries (from -1.5% to +1.4%), supplements to wages and salaries (from -1.5% to +1.1%), nonfarm proprietors' income (from -3.0% to +0.8%), and personal current transfer receipts (from 30.0% to 31.9%).

The forecast for total personal income was revised up significantly to +5.0% in 2021, compared to -0.5% in the previous forecast. Personal income was revised down in 2022, from 3.9% to 0.2%, and revised up in 2023, 2024, and 2025 to 4.1%, 4.3%, and 4.5%, respectively. The previous forecast projected growth of 3.9% in 2023 and 2024 and 4.0% in 2025. This revision accounts for both larger federal stimulus in 2021 than previously assumed as well as a stronger rebound of middle- and high-wage jobs. The slower growth in 2022 reflects the unwinding of federal stimulus.

Growth in wages and salaries, the largest component of personal income, was revised up for 2021 by 2.0 percentage points compared to November's forecast, from 3.0% to 5.0%. 2022-2025 were each left unchanged, at 4.0% for all years. Growth in supplements to wages and salaries was revised up in all years. In 2021, this was revised up from 3.6% to 5.0%. In the remaining years from 2022-2025, the forecast was revised from 3.4% to 4.0%, reflecting expected increased health care and childcare costs.

Nonfarm proprietors' income was left unchanged in 2021, at 3.2%. The CEFC revised the remaining years up to 6.5% in 2022 (from 3.3%), 6.0% in 2023 (from 2.5%), 5.7% in 2024 (from 2.5%), and 5.4% in 2025 (from 2.5%). The forecast for dividends, interest, and rent was revised up for all years, from 0.1% to 0.8% in 2021, and from 2.3% to 4.2% in 2022 and from 2.2% to 3.5% for 2023-2025.

Growth in personal current transfer receipts was revised up in 2021 to 8.0% from -8.0% in the previous forecast. Forecasts for 2022-2025 were -10.0%, 4.0%, 5.0%, and 6.0%, respectively. These changes reflected downward revisions from 2022-2024 and upward in 2025. Increases in 2021 are driven by the passage of the American Rescue Plan Act of 2021 with the possibility of additional federal spending on infrastructure and social projects, with the 2022 decline reflecting the unwinding of federal stimulus. The CEFC noted that the longer-term projection incorporates an expectation that a wave of retirements among Baby Boomers may lead to increasing Social Security distributions.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for 2021, from 2.2% to 2.4%, and left 2022-2025 unchanged at 2.1% annually. This change reflects several forces that may contribute to inflation in the later part of the year: an uptick in consumer spending due to pent-up demand, increased energy prices, and supply bottlenecks, as well as the Federal Reserve's willingness to accept inflation moderately above its 2.0% target to achieve 2.0% *average* inflation.

Finally, the forecast for corporate profits was revised down in 2020 and up in 2021-2025. The forecast for 2020 changed from 0.6% to -2.0%. Corporate profits are projected to grow by 15.0% in 2021, up from 10.0% in the previous forecast. The CEFC projects growth of 4.7% annually from 2023-2025, up from 2.7% in the previous forecast, consistent with the average annual growth rate over the last decade.

The following table provides the forecast's major indicators along with a comparison to the past three forecasts.

Calendar Years	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)						
CEFC Forecast 02/2020	0.5	0.2	0.1	0.0	0.0	0.0
CEFC Forecast 07/2020	-8.0	4.0	2.0	0.0	0.0	0.0
CEFC Forecast 11/2020	-8.0	4.0	2.0	0.1	0.1	0.1
CEFC Forecast 04/2021	-6.4	4.0	2.3	0.7	0.1	0.1
Personal Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1	4.0	3.7	3.5	3.5	3.5
CEFC Forecast 07/2020	3.9	-1.2	3.7	3.5	3.6	3.6
CEFC Forecast 11/2020	5.3	-0.5	3.9	3.9	3.9	4.0
CEFC Forecast 04/2021	7.6	5.0	0.2	4.1	4.3	4.5
Wage and Salary Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1	3.7	3.4	3.2	3.2	3.2
CEFC Forecast 07/2020	-5.0	2.0	3.0	3.0	3.0	3.0
CEFC Forecast 11/2020	-1.5	3.0	4.0	4.0	4.0	4.0
CEFC Forecast 04/2021	1.4	5.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)						
CEFC Forecast 02/2020	1.9	2.0	2.0	2.0	2.0	2.0
CEFC Forecast 07/2020	0.9	1.5	1.7	2.0	2.0	2.0
CEFC Forecast 11/2020	1.3	2.2	2.2	2.1	2.1	2.1
CEFC Forecast 04/2021	1.2	2.4	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 Office of Fiscal and Program Review also provided an update on general fund budget status. 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 7.6% in 2020, the sixth highest in the nation, despite a decline of 5.5% (seasonally adjusted at annual rates) from the third to fourth quarter of the year. This year-over-year growth was driven by sharp increases in transfer receipts. Wage and salary income, which is the largest component of total personal income, grew by 1.4%. Gross Domestic Product (GDP) for Maine rose by \$4.3 billion, or 34.4%, at an annualized rate in the third quarter of 2020 but remains \$2.0 billion lower than the third quarter of 2019. The Consumer Price Index was up 1.7% year-over-year in February 2021, closer to the Federal Reserve's inflation target of 2.0 percent, which is measured using Personal Consumption Expenditures (PCE).

Nationwide, consumer sentiment has had a slow and rocky recovery. The February 2021 consumer sentiment index remained 24% under February 2020 while the Small Business Optimism Index was down 8.3% in February compared to last year.

Energy prices saw recovery in the fourth quarter, when the price of crude oil rose by 3.1% from previous quarter. Gasoline prices averaged \$2.83 on March 15, 2021 in New England. Data for January 2021 show total exports in Maine decreased by 21.1% over January 2020.

Single family existing-home sales in Maine in February 2021 continued to grow, up 22.8% compared to February 2020, while the median sales price increased 12.9% from a year prior as the market maintains a tight supply and strong demand. Maine's House Price Index rose by 13.5% in the fourth quarter of 2020 over a year prior, higher than both New England and the United States.

Highway travel has seen strong recovery in recent weeks. The second week of March had a year-over-year decline of only 2.2% in vehicle miles traveled, the smallest gap since the COVID-19 pandemic began a year prior. Credit and debit card data indicate that consumer spending has also settled near pre-pandemic levels.

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

Maine Department of Labor

Nonfarm payroll jobs increased 4,600 in the first two months of 2021. This follows a four-month period of little change during the fall virus surge. In February 2021 there were 5.3 percent fewer jobs (-34,200) than a year earlier, which parallels the national 6.3 percent decrease.

Annual revisions to labor force estimates have been completed. The employment to population ratio was somewhat higher than previously published estimates indicated in 2019 and the first half of 2020, then lower in the latter part of the year. The employment rate increased in the first two months of 2021 but remained below year-ago rates. Revised estimates tracked closely with the payroll jobs trend.

Unemployment rates were revised lower for nearly all months of 2019 and 2020 and remained quite variable for the spring and summer of last year. The variability was because many people were unable to search for work or were uncertain about whether they would be recalled to their job in the first several

months of the pandemic (those who did not search for work were not considered to be in the labor force and were not counted as unemployed). Though labor force participation increased in the first two months of 2021, it remained suppressed as childcare and other factors continued to prevent many people from being available to work. If labor force participation was at February 2020 rates, the unemployment rate would have been much higher throughout the pandemic period and would be 8.9 percent for February 2021, rather than the official rate of 4.8 percent.

Wages paid in the state totaled \$21.9 billion in the first nine months of 2020, up 1.1 percent from a year earlier. Total wages were down 1.9 percent in the second quarter from a year earlier but were up 4.7 and 0.7 percent in the first and third quarters. This is a much better performance than in the previous recession just over a decade ago. The fact that most of the jobs lost in 2020 were in hospitality and other lower-wage sectors, combined with efforts to support economic stability, including the Paycheck Protection Program (PPP), meant that jobs saw a sharper decrease than wages last year.

Among the most prominent changes to the nature of work over the last year is the increased prevalence of telework. One-third of households report at least one adult working in a different location, usually their home (U.S. Census Bureau, Household Pulse Survey). We estimate 160,000 jobs in Maine are suited to telework. Telework is not possible in many occupations in which goods or services are produced or delivered in person. About 57 percent of private sector employers in Maine reported having no telework arrangements either before or during the pandemic, while 27 percent reported increased telework (U.S. Bureau of Labor Statistics, Business Response Survey).

Other results from the Business Response Survey point to the challenging year and stabilizing role that stimulus measures played. In Maine half of private sector employers reported decreased demand and nearly two-thirds reported receiving PPP or other loans or grants to maintain employment. These employers represented just under 350,000 jobs.

Recently updated national projections from the Congressional Budget Office expect the civilian labor force will to return to pre-pandemic size by 2022, the unemployment rate will gradually decline to just over 4.5 percent by the end of 2023, and the number of employed people will fully recover by 2024. As the labor force recovers, the unemployment rate should more accurately reflect workforce conditions.

This presentation is available at:

<http://www.maine.gov/labor/cwri/publications/pdf/CEFCMarch2021.pdf>

Maine Revenue Services - Office of Tax Policy (OTP)

In its December 1, 2020 revenue forecast, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates upward by \$272.8 million for Fiscal Year (FY) 2021 and by \$487.4 million for the 2022-2023 biennium. The forecasted rate of year-over-year (YOY) growth for GF 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 \$255.0 million lower in FY21 and \$395.8 million lower for the 2022-2023 biennium.

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%

Almost 90% (\$243.9 million) of the RFC's \$272.8 million reprojection in FY21 was from sales and use and individual income taxes, and 88% of the FY22 and FY23 net increases was 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 assumed that Congress would provide 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 reflected a positive variance of \$53.5 million through October and preliminary November receipts that pointed to another monthly variance of \$20 million or more. The two primary areas fueling the revenue surplus were lodging and automobile sales. Lodging receipts through October exceed budget by \$14.4 million and were expected to be approximately \$22 million higher for the fiscal year than projected in August. While lodging sales were down 28.6% YOY during the important July-September quarter, the August revenue forecast assumed a 50% YOY decline during the summer tourism season. After declining over 15% YOY between March and June, sales and use tax receipts related to automobile sales rebounded, increasing by 17% 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 resulted in a FY21 increase of \$42 million in sales and use tax from automobile sales. The RFC tried to capture the expected decline in taxable services during the winter months as the rising rate of rate of COVID-19 was expected to impact consumer purchases of in-person services.

Upward adjustments to estimated individual income tax revenues were primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The November CEFC forecast assumed 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 assumed 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 were: (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.

With actual revenues through February and one day of processing left in March, FY21 GF revenues are running well ahead of budget. Through the first eight months of the fiscal year GF revenues are \$287.2 million over budget (11.6%). Most of the year-to-date variance is from sales and use tax (\$58.0 million) and individual income tax (\$206.1 million). Approximately \$97 million of the year-to-date positive variance is because of the IRS' delay, by approximately one month, of the start of the Federal tax filing

season. As a result, fewer individual income tax returns that necessitate refunds have been filed and, thus, issuance of refund payments have not offset revenues to the same extent as anticipated. Most, if not all, of the February variance in income tax refunds should be reversed in March. Compared to the same eight-month period last fiscal year, GF revenues are up by 8.5% (\$216.2 million). Adjusting for the timing of refunds and the increase in revenue sharing, GF revenues have increased by \$140.0 million compared to the same period of fiscal year 2020 or up by 5.5%.

The strong performance in sales and use tax relative to forecast is primarily because sales subject to the 5.5% general sales tax rate (e.g. building supply materials, automobiles, sporting goods etc.) have been very strong over the November-February period. Stimulus payments and enhanced unemployment benefits included in the Consolidated Appropriations Act of 2021 (CAA21) provided stimulus at the beginning of calendar year 2021 and the recent enactment of the American Rescue Plan Act (ARPA) will provide additional stimulus during the second and third quarters of calendar year 2021. Based on advanced bookings for lodging during the summer tourism, it appears that activity will be much stronger this summer compared to last year. As a result, the robust performance of the sales and use tax line is expected to continue at least through the end of 2021.

Individual income tax receipts are over budget fiscal year-to-date partly because withholding is over budget by \$61 million, up 9.7% compared to the first three quarters 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 and the \$300 per week enhanced benefit that was part of the CAA21 and ARPA.

The final estimated payment for tax year 2020, December and January combined, increased 40.5 percent over a year ago which is the strongest final estimated payment since the same period of the 2012 tax year (46.0%). For the year, individual estimated payments are up 18%, again the best since the 2012 tax year (18.4%). Some of the strong growth at the end of 2020 is likely catch up, with weaker quarterly payments from the previous three quarters as taxpayers estimated payments assuming a bad year because of the pandemic and then realized their bottom line would be better as the year ended. But we cannot rule out that high-end taxpayers may be preparing for a federal tax change as the Biden Administration has suggested interest in increasing tax rates for high net worth individuals. In addition, the strong stock and real estate markets may result in another year of capital gains and other income being accelerated to avoid potential federal tax increases. This would benefit state revenue in this fiscal year, but at the expense of fiscal year 2022 and possibly fiscal year 2023. The odds of an exceptional final estimated payment being offset by a negative April surprise are low based on 30 years of history. Historically, the final estimated payment is a signal of strong growth for the tax year.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics baseline scenario for March 2021 and the IHS Markit baseline scenario for March 2021. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 2020 forecast. In addition, the CEFC reviewed its assumptions for the previous forecast and made several changes as more information has become available since the last report. Overall, the commission is both more optimistic and less uncertain than they were for the two previous pandemic forecasts, particularly relating to vaccine rollout and federal stimulus. The key assumptions made by the CEFC are as follows:

- With economic recovery underway, concerns remain that this recovery is uneven across different sectors and demographic/socioeconomic groups.
- Although infection rates remain high, public health concerns will subside with the continuation of vaccine rollout. Continued social distancing, testing, and contact tracing will help the state mitigate the onset of COVID-19 variants.
- Federal stimulus and prolonged low interest rates will boost consumption and aid in the economic recovery; the service sector and tourism in particular may see increased demand during the summer.
- Long-term structural changes are likely to occur as the labor market faces a skills mismatch. The availability of regular, in-person childcare and K-12 education will remain a major determinant 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. The supply of housing is extremely limited and may be a constraint on continued home sales growth.
- Human behavior underpins several key uncertainties at this time, including vaccination uptake, willingness to continue to adhere to social distancing procedures, and eventual willingness to return to normal activity once it is considered safe to do so. Additionally, pent-up demand for services may lead to a substitution away from purchases of goods.
- Labor force constraints may be a risk if pent-up demand for tourism and services exceeds Maine’s supply of workers, particularly if temporary workers are not able to travel to Maine for the summer tourism season. This may be mitigated somewhat on the lodging side if transient rental platforms are seen by visitors as preferable to traditional lodging facilities.

Consensus Forecast

Following rapid declines in the spring of 2020, employment saw some recovery through the summer and the end of the year, resulting in an overall decline of 6.4%. Total nonfarm employment is projected to increase by 4.0% in 2021, 2.3% in 2022, 0.7% in 2023 and 0.1% in both 2024 and 2025. Compared to the November 2020 forecast, this is unchanged in 2021, revised up in 2022 and 2023 (from 2.0% and 0.1%, respectively) and unchanged in 2024 and 2025. The new forecast accounts for an upside risk of increased migration into the state balanced with the potential for demographic shifts that may lead to a wave of retirements in coming years. The commission is also optimistic that K-12 school and childcare needs will be met, allowing many parents to return to the labor force in 2021 and 2022. 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 will be confirmed with future data. The revised forecast anticipates employment will reach pre-pandemic levels by 2023 and continue growing to 640 thousand in 2025. The November 1, 2020, forecast reached 622.6 thousand in 2025. The CEFC remains optimistic regarding the upside risk of increased migration into the state as COVID-19 has been a catalyst for remote work. However, the commission has left the long-term forecast unchanged until better information about migration is available.

This forecast reflects preliminary actual data for annual 2020 personal income released by the U.S. Bureau of Economic Analysis on March 24, 2021. This resulted in upward revisions for 2020 for total personal income (from 5.3% to 7.6%) as well as several components including wages and salaries (from -1.5% to +1.4%), supplements to wages and salaries (from -1.5% to +1.1%), nonfarm proprietors' income (from -3.0% to +0.8%), and personal current transfer receipts (from 30.0% to 31.9%).

The forecast for total personal income was revised up significantly to +5.0% in 2021, compared to -0.5% in the previous forecast. Personal income was revised down in 2022, from 3.9% to 0.2%, and revised up in 2023, 2024, and 2025 to 4.1%, 4.3%, and 4.5%, respectively. The previous forecast projected growth of 3.9% in 2023 and 2024 and 4.0% in 2025. This revision accounts for both larger federal stimulus in 2021 than previously assumed as well as a stronger rebound of middle- and high-wage jobs. The slower growth in 2022 reflects the unwinding of federal stimulus.

Growth in wages and salaries, the largest component of personal income, was revised up for 2021 by 2.0 percentage points compared to November's forecast, from 3.0% to 5.0%. 2022-2025 were each left unchanged, at 4.0% for all years. Growth in supplements to wages and salaries was revised up in all years. In 2021, this was revised up from 3.6% to 5.0%. In the remaining years from 2022-2025, the forecast was revised from 3.4% to 4.0%, reflecting expected increased health care and childcare costs.

Nonfarm proprietors' income was left unchanged in 2021, at 3.2%. The CEFC revised the remaining years up to 6.5% in 2022 (from 3.3%), 6.0% in 2023 (from 2.5%), 5.7% in 2024 (from 2.5%), and 5.4% in 2025 (from 2.5%). The forecast for dividends, interest, and rent was revised up for all years, from 0.1% to 0.8% in 2021, and from 2.3% to 4.2% in 2022 and from 2.2% to 3.5% for 2023-2025.

Growth in personal current transfer receipts was revised up in 2021 to 8.0% from -8.0% in the previous forecast. Forecasts for 2022-2025 were -10.0%, 4.0%, 5.0%, and 6.0%, respectively. These changes reflected downward revisions from 2022-2024 and upward in 2025. Increases in 2021 are driven by the passage of the American Rescue Plan Act of 2021 with the possibility of additional federal spending on infrastructure and social projects, with the 2022 decline reflecting the unwinding of federal stimulus. The CEFC noted that the longer-term projection incorporates an expectation that a wave of retirements among Baby Boomers may lead to increasing Social Security distributions.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for 2021, from 2.2% to 2.4%, and left 2022-2025 unchanged at 2.1% annually. This change reflects several forces that may contribute to inflation in the later part of the year: an uptick in consumer spending due to pent-up demand, increased energy prices, and supply bottlenecks, as well as the Federal Reserve's willingness to accept inflation moderately above its 2.0% target to achieve 2.0% *average* inflation.

Finally, the forecast for corporate profits was revised down in 2020 and up in 2021-2025. The forecast for 2020 changed from 0.6% to -2.0%. Corporate profits are projected to grow by 15.0% in 2021, up from 10.0% in the previous forecast. The CEFC projects growth of 4.7% annually from 2023-2025, up from 2.7% in the previous forecast.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

April 2021 Forecast Update

	History	Forecast				
	2020	2021	2022	2023	2024	2025
CPI-U* (Annual Change)	1.2%	2.4%	2.2%	2.1%	2.1%	2.1%
CPI for Energy Prices** (Annual Change)	-8.3%	13.7%	1.3%	1.2%	1.5%	2.0%
Avg. Price of New Vehicles** (Annual Change)	6.1%	2.5%	0.9%	3.1%	0.3%	-0.6%
New Vehicle Registrations** (Annual Change)	-7.7%	2.9%	-1.6%	-1.8%	-0.8%	0.2%
Personal Savings Rate**	16.1%	14.1%	8.2%	7.6%	7.8%	7.9%
Maine Unemployment Rate**	5.4%	4.3%	3.2%	2.9%	2.8%	2.9%
3-Month Treasury Bill Rate**	0.37%	0.04%	0.07%	0.09%	0.22%	0.47%
10-Year Treasury Note Yield**	0.89%	1.45%	1.81%	1.99%	2.19%	2.46%
Before-Tax Corporate Profits* (Annual Change)	-2.0%	15.0%	4.7%	4.7%	4.7%	4.7%
Maine Wage & Salary Employment* (thousands)	596.1	620.0	634.2	638.7	639.4	640.0
Natural Resources	2.1	2.3	2.4	2.4	2.3	2.3
Construction	30.0	31.3	30.0	28.6	28.0	27.8
Manufacturing	50.7	52.7	53.8	53.7	53.2	52.8
Trade/Trans./Public Utils.	111.7	115.5	113.7	110.3	107.4	106.7
Information	6.4	6.8	7.2	7.3	7.2	7.2
Financial Activities	32.6	34.2	35.6	35.8	35.8	35.7
Prof. & Business Services	68.0	72.4	76.3	79.5	81.9	84.0
Education & Health Services	124.8	128.2	131.3	133.4	134.5	134.7
Leisure & Hospitality Services	51.8	55.8	59.7	62.1	63.1	62.7
Other Services	20.3	21.5	22.3	22.6	22.6	22.6
Government	97.8	99.2	102.0	103.0	103.3	103.5
Maine Wage & Salary Employment* (Annual Change)	-6.4%	4.0%	2.3%	0.7%	0.1%	0.1%
Natural Resources	-3.0%	9.4%	3.2%	0.1%	-1.2%	-0.4%
Construction	-0.1%	4.3%	-4.1%	-4.6%	-2.1%	-0.7%
Manufacturing	-4.8%	4.0%	2.0%	-0.1%	-0.9%	-0.8%
Trade/Trans./Public Utils.	-5.8%	3.4%	-1.6%	-2.9%	-2.6%	-0.7%
Information	-10.8%	5.8%	6.2%	0.9%	-0.2%	-0.5%
Financial Activities	-0.9%	5.0%	4.0%	0.5%	0.0%	-0.2%
Prof. & Business Services	-3.1%	6.5%	5.3%	4.2%	3.1%	2.5%
Education & Health Services	-3.6%	2.7%	2.4%	1.6%	0.8%	0.2%
Leisure & Hospitality Services	-26.0%	7.8%	6.9%	4.1%	1.5%	-0.6%
Other Services	-8.5%	5.8%	4.0%	1.0%	0.0%	0.1%
Government	-3.4%	1.5%	2.8%	1.0%	0.3%	0.2%
	2020	2021	2022	2023	2024	2025
Personal Income* (\$ million)	73,212	76,868	77,007	80,131	83,568	87,327
Wages & Salaries*	31,915	33,511	34,851	36,245	37,695	39,203
Supplements to Wages & Salaries*	7,915	8,311	8,643	8,989	9,349	9,723
Nonfarm Proprietors' Income*	5,117	5,281	5,624	5,961	6,301	6,641
Farm Proprietors' Income**	171	162	97	113	134	133
Dividends, Interest, & Rent*	12,515	12,615	13,145	13,605	14,081	14,574
Dividends	3,919	4,012	4,535	4,830	5,051	5,217
Interest	5,655	5,571	5,355	5,265	5,312	5,524
Rent	2,941	3,035	3,260	3,510	3,717	3,828
Personal Current Transfer Receipts*	19,874	21,464	19,318	20,091	21,095	22,361
Less: Contributions for Social Ins.**	5,390	5,629	5,865	6,105	6,367	6,639
Adjustment for Residence**	1,094	1,153	1,193	1,233	1,280	1,331
Personal Income* (Annual Change)	7.6%	5.0%	0.2%	4.1%	4.3%	4.5%
Wages & Salaries*	1.4%	5.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	1.1%	5.0%	4.0%	4.0%	4.0%	4.0%
Nonfarm Proprietors' Income*	0.8%	3.2%	6.5%	6.0%	5.7%	5.4%
Farm Proprietors' Income**	39.0%	-5.4%	-40.0%	16.2%	18.1%	-0.3%
Dividends, Interest, & Rent*	-1.1%	0.8%	4.2%	3.5%	3.5%	3.5%
Dividends	-1.4%	2.4%	13.0%	6.5%	4.6%	3.3%
Interest	-2.2%	-1.5%	-3.9%	-1.7%	0.9%	4.0%
Rent	1.7%	3.2%	7.4%	7.7%	5.9%	3.0%
Personal Current Transfer Receipts*	31.9%	8.0%	-10.0%	4.0%	5.0%	6.0%
Less: Contributions for Social Ins.**	2.4%	4.4%	4.2%	4.1%	4.3%	4.3%
Adjustment for Residence**	-0.3%	5.4%	3.5%	3.3%	3.8%	4.0%

*CEFC Forecast

**From IHS Markit and Moody's Analytics baselines (Mar. 2021)

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



APPENDIX F

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

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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	\$177,290,000	\$93,650,000	\$81,290,000	\$174,940,000	\$77,670,000	\$68,860,000	\$146,530,000
Service Provider Tax	-\$4,000,000	-\$4,997,000	-\$5,437,000	-\$10,434,000	-\$5,382,000	-\$5,333,000	-\$10,715,000
Individual Income Tax	\$224,000,000	\$150,000,000	\$140,000,000	\$290,000,000	\$130,000,000	\$122,000,000	\$252,000,000
Corporate Income Tax	\$59,000,000	-\$6,000,000	\$0	-\$6,000,000	\$22,000,000	\$28,500,000	\$50,500,000
Estate Tax	\$22,000,000	\$11,100,000	\$1,750,000	\$12,850,000	\$1,200,000	\$1,200,000	\$2,400,000
Real Estate Transfer Tax, General Fund	\$887,789	\$1,083,719	\$1,124,709	\$2,208,428	\$0	-\$568,700	-\$568,700
Cigarette, Tobacco, and Marijuana Excise Taxes	-\$1,711,400	\$1,455,229	\$1,649,264	\$3,104,493	\$1,931,000	\$2,244,000	\$4,175,000
Telecommunications Excise Tax	\$400,000	\$200,000	\$200,000	\$400,000	\$200,000	\$200,000	\$400,000
Insurance Company Tax	-\$50,000	\$0	\$100,000	\$100,000	\$50,000	\$150,000	\$200,000
Container Fee	\$122,770	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Forestry Excise Tax	\$462,790	\$100,000	\$100,000	\$200,000	\$100,000	\$100,000	\$200,000
BETE Reimbursement	\$104,700	\$0	\$0	\$0	\$0	\$0	\$0
BETR Reimbursement	\$1,100,000	\$1,100,000	\$1,100,000	\$2,200,000	\$1,100,000	\$1,100,000	\$2,200,000
Gas Tax	-\$3,775,475	-\$3,243,000	-\$2,357,000	-\$5,600,000	-\$2,379,700	-\$2,403,637	-\$4,783,337
Special Fuel Tax	-\$106,000	-\$1,041,301	-\$1,061,422	-\$2,102,723	-\$1,075,036	-\$1,088,786	-\$2,163,822
<hr/>							
Total Adjustments to Current Forecast	\$475,725,173	\$243,407,646	\$218,458,551	\$461,866,197	\$225,414,264	\$214,959,877	\$440,374,141
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General Fund	\$464,933,104	\$237,845,385	\$213,430,891	\$451,276,276	\$217,639,118	\$207,935,735	\$425,574,853
Local Government Fund	\$15,475,215	\$9,257,815	\$8,247,072	\$17,504,887	\$11,219,892	\$10,665,433	\$21,885,325
Tourism Marketing Promotion Fund		\$405,000	\$575,000	\$980,000	\$300,000	\$200,000	\$500,000
Adult Use Marijuana Public Health and Safety	-\$801,671	-\$48,253	\$99,010	\$50,757	\$179,990	\$131,132	\$311,122
Multimodal Transportation Fund	\$0	\$232,000	-\$475,000	-\$243,000	-\$470,000	-\$480,000	-\$950,000
Highway Fund (Motor Fuel Taxes)	-\$3,503,584	-\$3,887,963	-\$3,107,519	-\$6,995,482	-\$3,140,584	-\$3,174,892	-\$6,315,476
Transcap Trust Fund	-\$286,231	-\$315,241	-\$251,962	-\$567,203	-\$254,642	-\$257,424	-\$512,066
Other Gas Tax Distributions	-\$91,660	-\$81,097	-\$58,941	-\$140,038	-\$59,510	-\$60,107	-\$119,617

Department of Administrative and Financial Services
Maine Revenue Services
Office of Tax Policy

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STATE OF MAINE

Undedicated Revenues - General Fund
For the Ninth Month Ended March 31, 2021
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	\$ 114,012,691	\$ 96,680,230	\$ 17,332,461	17 9 %	\$ 1,292,134,824	\$ 1,216,944,348	\$ 75,190,476	6 2 %	\$ 1,592,262,678
Service Provider Tax	3,848,664	4,531,690	(683,026)	(15 1)%	39,631,815	41,765,985	(2,134,170)	(5 1)%	56,562,000
Individual Income Tax	2,513,533	36,047,231	(33,533,698)	(93 0)%	1,326,398,914	1,153,826,033	172,572,881	15 0 %	1,695,661,248
Corporate Income Tax	16,657,331	14,000,000	2,657,331	19 0 %	151,460,289	125,359,472	26,100,817	20 8 %	202,855,002
Cigarette and Tobacco Tax	12,686,735	11,932,736	753,999	6 3 %	106,557,886	107,662,572	(1,104,686)	(1 0)%	144,401,400
Insurance Companies Tax	14,336,498	14,977,207	(640,709)	(4 3)%	30,484,330	30,768,568	(284,238)	(0 9)%	84,400,000
Estate Tax	1,916,893	710,000	1,206,893	170 0 %	18,865,654	15,890,811	2,974,843	18 7 %	18,050,000
Fines, Forfeits & Penalties	1,431,967	1,197,599	234,368	19 6 %	6,606,601	6,984,947	(378,346)	(5 4)%	9,387,746
Income from Investments	598,094	484,378	113,716	23 5 %	4,107,262	3,870,763	236,499	6 1 %	5,383,431
Transfer from Lottery Commission	7,465,530	5,248,830	2,216,700	42 2 %	56,767,423	46,252,109	10,515,314	22 7 %	60,000,000
Transfers for Tax Relief Programs	(637,561)	(3,909,716)	3,272,155	83 7 %	(71,349,653)	(70,623,099)	(726,554)	(1 0)%	(75,667,000)
Transfer to Municipal Revenue Sharing	(10,166,378)	(5,005,457)	(5,160,921)	(103 1)%	(113,336,915)	(102,630,646)	(10,706,269)	(10 4)%	(137,566,408)
Other Taxes and Fees	21,311,441	18,305,003	3,006,438	16 4 %	113,567,640	109,195,502	4,372,138	4 0 %	144,027,645
Other Revenues	3,654,647	3,494,430	160,217	4 6 %	(1,084,902)	(2,547,573)	1,462,671	57 4 %	15,519,173
Total Collected	\$ 189,630,084	\$ 198,694,161	\$ (9,064,077)	(4 6)%	\$ 2,960,811,170	\$ 2,682,719,792	\$ 278,091,378	10 4 %	\$ 3,815,276,915

NOTES:

- (1) Included in the above is \$10,166,378 for the month and \$113,336,915 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 December 2020, laws enacted through the end of the 130th Legislature, 1st 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 Ninth Month Ended March 31, 2021 and 2020

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	\$ 114,012,691	\$ 100,790,745	\$ 13,221,946	13 1 %	\$ 1,292,134,824	\$ 1,231,520,835	\$ 60,613,989	4 9 %
Service Provider Tax	3,848,664	4,414,395	(565,731)	(12 8)%	39,631,815	42,939,908	(3,308,093)	(7 7)%
Individual Income Tax	2,513,533	39,565,926	(37,052,393)	(93 6)%	1,326,398,914	1,179,962,741	146,436,173	12 4 %
Corporate Income Tax	16,657,331	13,998,651	2,658,680	19 0 %	151,460,289	137,102,195	14,358,094	10 5 %
Cigarette and Tobacco Tax	12,686,735	16,048,930	(3,362,196)	(20 9)%	106,557,886	104,883,740	1,674,146	1 6 %
Insurance Companies Tax	14,336,498	16,442,900	(2,106,403)	(12 8)%	30,484,330	31,426,020	(941,690)	(3 0)%
Estate Tax	1,916,893	505,369	1,411,524	279 3 %	18,865,654	19,965,948	(1,100,294)	(5 5)%
Fines, Forfeits & Penalties	1,431,967	1,581,058	(149,090)	(9 4)%	6,606,601	9,232,091	(2,625,490)	(28 4)%
Income from Investments	598,094	1,041,528	(443,433)	(42 6)%	4,107,262	9,621,622	(5,514,359)	(57 3)%
Transfer from Lottery Commission	7,465,530	4,595,526	2,870,004	62 5 %	56,767,423	47,792,426	8,974,997	18 8 %
Transfers for Tax Relief Programs	(637,561)	(4,518,858)	3,881,297	85 9 %	(71,349,653)	(69,672,266)	(1,677,386)	(2 4)%
Transfer to Municipal Revenue Sharing	(10,166,378)	(4,649,479)	(5,516,899)	(118 7)%	(113,336,915)	(83,112,866)	(30,224,049)	(36 4)%
Other Taxes and Fees	21,311,441	17,718,044	3,593,398	20 3 %	113,567,640	102,310,802	11,256,839	11 0 %
Other Revenues	3,654,647	3,358,310	296,336	8 8 %	(1,084,902)	1,902,177	(2,987,079)	(157 0)%
Total Collected	\$ 189,630,084	\$ 210,893,045	\$ (21,262,961)	(10 1)%	\$ 2,960,811,170	\$ 2,765,875,372	\$ 194,935,797	7 0 %

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 Ninth Month Ended March 31, 2021
For the Fiscal Year Ending June 30, 2021
All Other Comparison to Budget**

Exhibit III

	Month				Fiscal Year to Date				
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Total Budgeted Fiscal Year Ending 6/30/2021
<u>Detail of Other Taxes & Fees</u>									
0100s All Others	\$ 4,675,488	\$ 3,823,238	\$ 852,250	22 3 %	\$ 31,374,932	\$ 30,272,513	\$ 1,102,419	3 6 %	\$ 38,341,133
0300s Aeronautical Gas Tax	18,224	18,604	(380)	(2 0)%	188,913	192,809	(3,896)	(2 0)%	254,324
0400s Alcohol Excise Tax	1,266,415	1,674,731	(408,316)	(24 4)%	13,778,516	14,972,829	(1,194,313)	(8 0)%	18,412,786
0700s Corporation Taxes	2,248,121	1,461,039	787,082	53 9 %	7,067,005	5,714,788	1,352,217	23 7 %	10,138,649
0800s Public Utilities	6,862,176	6,101,716	760,460	12 5 %	6,725,138	6,100,000	625,138	10 2 %	6,100,000
1000s Banking Taxes	3,969,450	2,299,749	1,669,701	72 6 %	20,349,520	20,017,742	331,778	1 7 %	26,916,990
1100s Alcoholic Beverages	395,004	635,573	(240,569)	(37 9)%	6,527,842	5,942,210	585,632	9 9 %	7,781,038
1200s Amusements Tax	-	9,167	(9,167)	(100 0)%	3,000	82,503	(79,503)	(96 4)%	110,000
1300s Harness Racing Pari-mutuel	787,643	557,833	229,810	41 2 %	4,803,426	4,502,970	300,456	6 7 %	6,068,950
1400s Business Taxes	701,678	864,703	(163,025)	(18 9)%	6,150,672	5,536,736	613,936	11 1 %	9,383,141
1500s Motor Vehicle Licenses	696,006	152,401	543,605	356 7 %	3,363,810	3,245,970	117,840	3 6 %	3,870,450
1700s Inland Fisheries & Wildlife	(362,393)	650,931	(1,013,324)	(155 7)%	12,702,324	12,044,613	657,711	5 5 %	15,986,716
1900s Other Licenses	53,628	55,318	(1,690)	(3 1)%	532,541	569,819	(37,278)	(6 5)%	663,468
Total Other Taxes & Fees	\$ 21,311,441	\$ 18,305,003	\$ 3,006,438	16 4 %	\$ 113,567,640	\$ 109,195,502	\$ 4,372,138	4 0 %	\$ 144,027,645
<u>Detail of Other Revenues</u>									
2200s Federal Revenues	\$ -	\$ 11,250	\$ (11,250)	(100 0)%	\$ 74,405	\$ 101,251	\$ (26,846)	(26 5)%	\$ 135,000
2300s County Revenues	-	-	-	%	-	-	-	%	-
2400s Revenues from Cities and Towns	43,143	31,009	12,134	39 1 %	197,546	121,399	76,147	62 7 %	277,996
2500s Revenues from Private Sources	212,272	141,673	70,599	49 8 %	1,898,618	1,819,332	79,286	4 4 %	1,970,800
2600s Current Service Charges	2,118,916	2,018,635	100,281	5 0 %	17,147,077	16,003,110	1,143,967	7 1 %	22,416,050
2700s Transfers from (to) Other Funds	1,261,340	1,291,599	(30,259)	(2 3)%	(20,505,559)	(20,628,376)	122,817	0 6 %	(9,398,671)
2800s Sales of Property & Equipment	18,976	264	18,712	7,087 7 %	103,013	35,711	67,302	188 5 %	117,998
Total Other Revenues	\$ 3,654,647	\$ 3,494,430	\$ 160,217	4 6 %	\$ (1,084,902)	\$ (2,547,573)	\$ 1,462,671	57 4 %	\$ 15,519,173

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 Ninth Month Ended March 31, 2021 and 2020

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	\$ 4,675,488	\$ 3,807,685	\$ 867,803	22 8 %	\$ 31,374,932	\$ 23,124,355	\$ 8,250,577	35 7 %
0300s Aeronautical Gas Tax	18,224	20,278	(2,054)	(10 1)%	188,913	211,470	(22,557)	(10 7)%
0400s Alcohol Excise Tax	1,266,415	1,152,876	113,539	9 8 %	13,778,516	13,701,273	77,243	0 6 %
0700s Corporation Taxes	2,248,121	1,372,398	875,723	63 8 %	7,067,005	5,402,026	1,664,978	30 8 %
0800s Public Utilities	6,862,176	6,318,544	543,633	8 6 %	6,725,138	6,418,268	306,871	4 8 %
1000s Banking Taxes	3,969,450	2,009,950	1,959,500	97 5 %	20,349,520	20,621,510	(271,990)	(1 3)%
1100s Alcoholic Beverages	395,004	1,051,158	(656,154)	(62 4)%	6,527,842	6,080,296	447,546	7 4 %
1200s Amusements Tax	-	-	-	%	3,000	6,000	(3,000)	(50 0)%
1300s Harness Racing Pari-mutuel	787,643	655,188	132,455	20 2 %	4,803,426	6,542,913	(1,739,487)	(26 6)%
1400s Business Taxes	701,678	673,693	27,985	4 2 %	6,150,672	4,488,208	1,662,464	37 0 %
1500s Motor Vehicle Licenses	696,006	231,354	464,652	200 8 %	3,363,810	3,160,786	203,025	6 4 %
1700s Inland Fisheries & Wildlife	(362,393)	371,027	(733,420)	(197 7)%	12,702,324	11,956,306	746,019	6 2 %
1900s Other Licenses	53,628	53,893	(264)	(0 5)%	532,541	597,391	(64,850)	(10 9)%
Total Other Taxes & Fees	\$ 21,311,441	\$ 17,718,044	\$ 3,593,398	20 3 %	\$ 113,567,640	\$ 102,310,802	\$ 11,256,839	11 0 %
<u>Detail of Other Revenues</u>								
2200s Federal Revenues	\$ -	\$ (2,490)	\$ 2,490	100 0 %	\$ 74,405	\$ 75,057	\$ (652)	(0 9)%
2300s County Revenues	-	-	-	%	-	-	-	%
2400s Revenues from Cities and Towns	43,143	17,525	25,618	146 2 %	197,546	121,111	76,434	63 1 %
2500s Revenues from Private Sources	212,272	5,633	206,640	3,668 6 %	1,898,618	967,593	931,024	96 2 %
2600s Current Service Charges	2,118,916	2,143,326	(24,410)	(1 1)%	17,147,077	20,000,351	(2,853,274)	(14 3)%
2700s Transfers from (to) Other Funds	1,261,340	1,193,637	67,704	5 7 %	(20,505,559)	(19,356,136)	(1,149,424)	(5 9)%
2800s Sales of Property & Equipment	18,976	680	18,296	2,692 1 %	103,013	94,201	8,812	9 4 %
Total Other Revenues	\$ 3,654,647	\$ 3,358,310	\$ 296,336	8 8 %	\$ (1,084,902)	\$ 1,902,177	\$ (2,987,079)	(157 0)%

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 Ninth Month Ended March 31, 2021

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	\$ 15,300,792	\$ 15,533,685	\$ (232,893)	(1 5)%	\$ 159,416,740	\$ 161,350,518	\$ (1,933,778)	(1 2)%	\$ 214,788,352
Motor Vehicle Registration & Fees	7,769,540	5,499,291	2,270,249	41 3 %	75,446,699	69,723,425	5,723,274	8 2 %	92,815,021
Motor Vehicle Inspection Fees	141,241	236,160	(94,920)	(40 2)%	1,829,381	2,169,582	(340,201)	(15 7)%	3,092,771
Miscellaneous Taxes & Fees	106,817	61,770	45,047	72 9 %	1,138,445	946,318	192,127	20 3 %	1,267,454
Fines, Forfeits & Penalties	71,698	23,530	48,168	204 7 %	780,440	343,209	437,231	127 4 %	412,286
Earnings on Investments	29,585	23,663	5,922	25 0 %	185,750	157,225	28,525	18 1 %	174,622
All Other	679,047	720,346	(41,299)	(5 7)%	10,680,363	10,672,594	7,769	0 1 %	12,119,901
Total Collected	\$ 24,098,718	\$ 22,098,445	\$ 2,000,273	9 1 %	\$ 249,477,818	\$ 245,362,871	\$ 4,114,947	1 7 %	\$ 324,670,407

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 Ninth Month Ended March 31, 2021 and 2020

For the Fiscal Year Ending June 30, 2021 and 2020

Comparison to To Prior Year

Exhibit VI

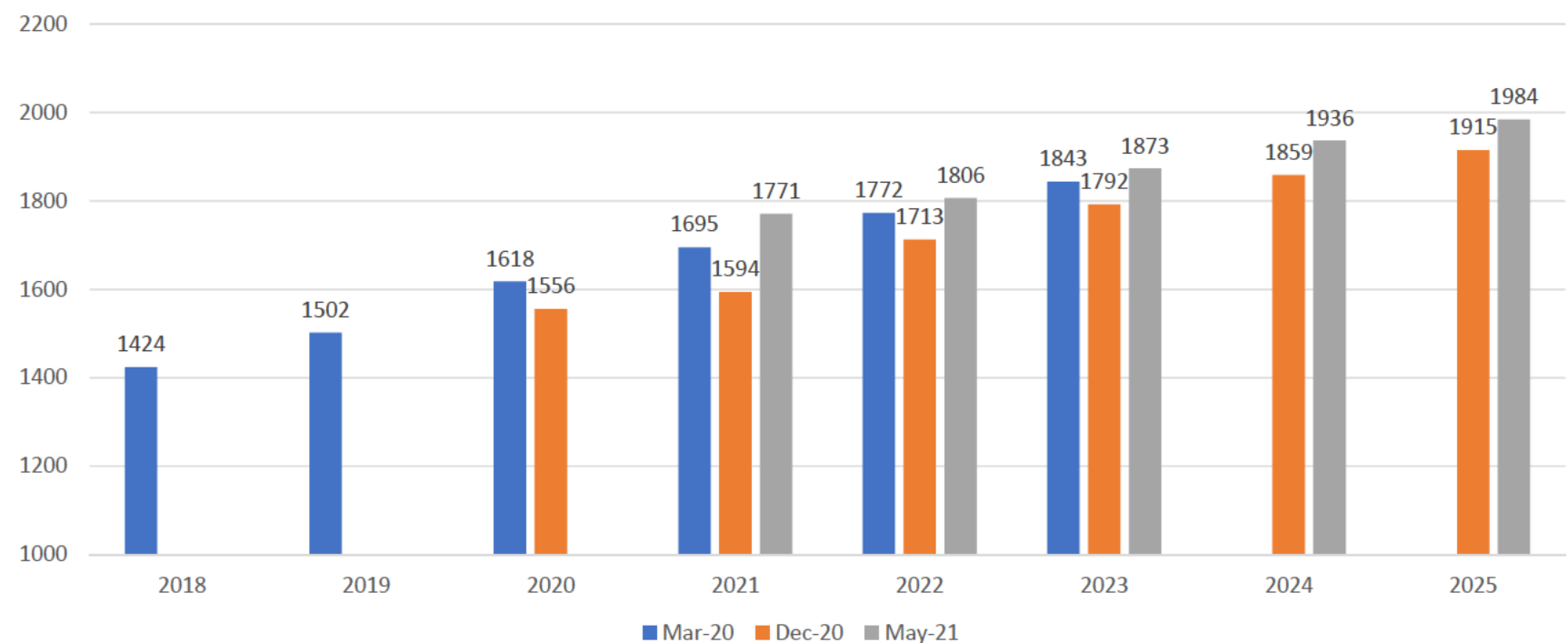
	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 15,300,792	\$ 16,869,386	\$ (1,568,594)	(9 3)%	\$ 159,416,740	\$ 175,575,892	\$ (16,159,152)	(9 2)%
Motor Vehicle Registration & Fees	7,769,540	3,624,414	4,145,126	114 4 %	75,446,699	67,390,304	8,056,395	12 0 %
Motor Vehicle Inspection Fees	141,241	70,643	70,598	99 9 %	1,829,381	2,397,701	(568,320)	(23 7)%
Miscellaneous Taxes & Fees	106,817	31,871	74,946	235 2 %	1,138,445	894,026	244,419	27 3 %
Fines, Forfeits & Penalties	71,698	124,361	(52,663)	(42 3)%	780,440	707,388	73,052	10 3 %
Earnings on Investments	29,585	3,994	25,591	640 7 %	185,750	218,607	(32,857)	(15 0)%
All Other	679,047	367,642	311,404	84 7 %	10,680,363	10,190,421	489,942	4 8 %
Total Collected	\$ 24,098,718	\$ 21,092,311	\$ 3,006,407	14 3 %	\$ 249,477,818	\$ 257,374,339	\$ (7,896,520)	(3 1)%

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

MRS Office of Tax Policy Presentation for May 2021 Revenue Forecast

Sales & Use Tax

Forecast History and Current Recommendation



Annual Revenue Growth: Current and Previous Forecast

FY	2021	2022	2023	2024	2025
Dec 20	2.4%	7.5%	4.6%	3.7%	3.0%
May 21	13.8%	2.0%	3.7%	3.4%	2.4%

Sales Tax: Main Points

- Strong revenue performance in last four months relative to both budget and prior years
 - Revenue associated with calendar year 2020 sales is \$33.3 million over budget
 - “Jumping off point” for the forecast
- CEFC forecast contributes to positive revenue revision
- The upward revision is larger in current fiscal year compared to future fiscal years for several reasons
 - The December 2020 baseline assumed a significant recovery beginning in the late spring/early summer
 - We do not think the pace of recent revenue growth from the sale of goods (relative to non-pandemic revenues) will be sustained throughout the calendar year
 - Budgeting for net accruals has especially large impact on FY 21 revenue

Sales Tax: Recent History

Sales & Use Tax YoY Revenue Growth:

	2020					2021			
July 19 – Feb.20	Mar. – May	June – July	Aug. – Sept.	Oct. – Nov.	Dec.	January	Feb.	March	Jan. - March
7.1%	-9.6%	-1.0%	2.8%	5.9%	7.7%	14.6%	13.1%	22.0%	16.6%

- April revenues through 4/25 are 44.4% above April 2020 revenues and 34.5% above April 2019 revenue
- \$75.2 million variance through March, should be over \$108 million by end of April

Sales Tax: Important CEFC forecasts

		2020	2021	2022	2023	2024	2025
CPI	Nov. 20	1.3%	2.2%	2.2%	2.1%	2.1%	2.1%
	Apr. 21	1.2%	2.4%	2.2%	2.1%	2.1%	2.1%
Personal Income	Nov. 20	5.3%	-0.5%	3.9%	3.9%	3.9%	4.0%
	Apr. 21	7.6%	5.0%	0.2%	4.1%	4.3%	4.5%
Savings Rate	Nov. 20	14.9%	8.1%	4.1%	3.7%	3.5%	3.3%
	Apr. 21	16.1%	14.1%	8.2%	7.6%	7.8%	7.9%
New Vehicle Registrations	Nov. 20	-11.8%	2.2%	-3.0%	-0.1%	0.0%	0.3%
	Apr. 21	-7.7%	2.9%	-1.6%	-1.8%	-0.8%	0.2%
Average Price of New Vehicle	Nov. 20	6.6%	2.0%	2.7%	3.7%	0.6%	-0.2%
	Apr. 21	6.1%	2.5%	0.9%	3.1%	0.3%	-0.6%
Construction Employment	Nov. 20	-0.7%	-0.5%	-4.3%	-2.1%	0.1%	0.5%
	Apr. 21	-0.1%	4.3%	-4.1%	-4.6%	-2.1%	-0.7%
Manufacturing Employment	Nov. 20	-10.8%	2.4%	3.0%	0.2%	0.1%	0.0%
	Apr. 21	-4.8%	4.0%	2.0%	-0.1%	-0.9%	-0.8%

Calendar Year Taxable Sales Summary

	Taxable Sales (\$million)				Annual Growth	
	2018	2019	2020		2019	2020
5.5% Sales	\$19,670	\$20,937	\$23,398		6.4%	11.8%
>5.5% Sales	\$4,500	\$4,754	\$3,510		5.6%	-26.2%
Total, All Sales	\$24,170	\$25,692	\$26,908		6.3%	4.7%
<u>Estimate</u> if 12 months of marketplace collections in 2019:						
Total, All Sales		\$26,133	\$26,908			3.0%

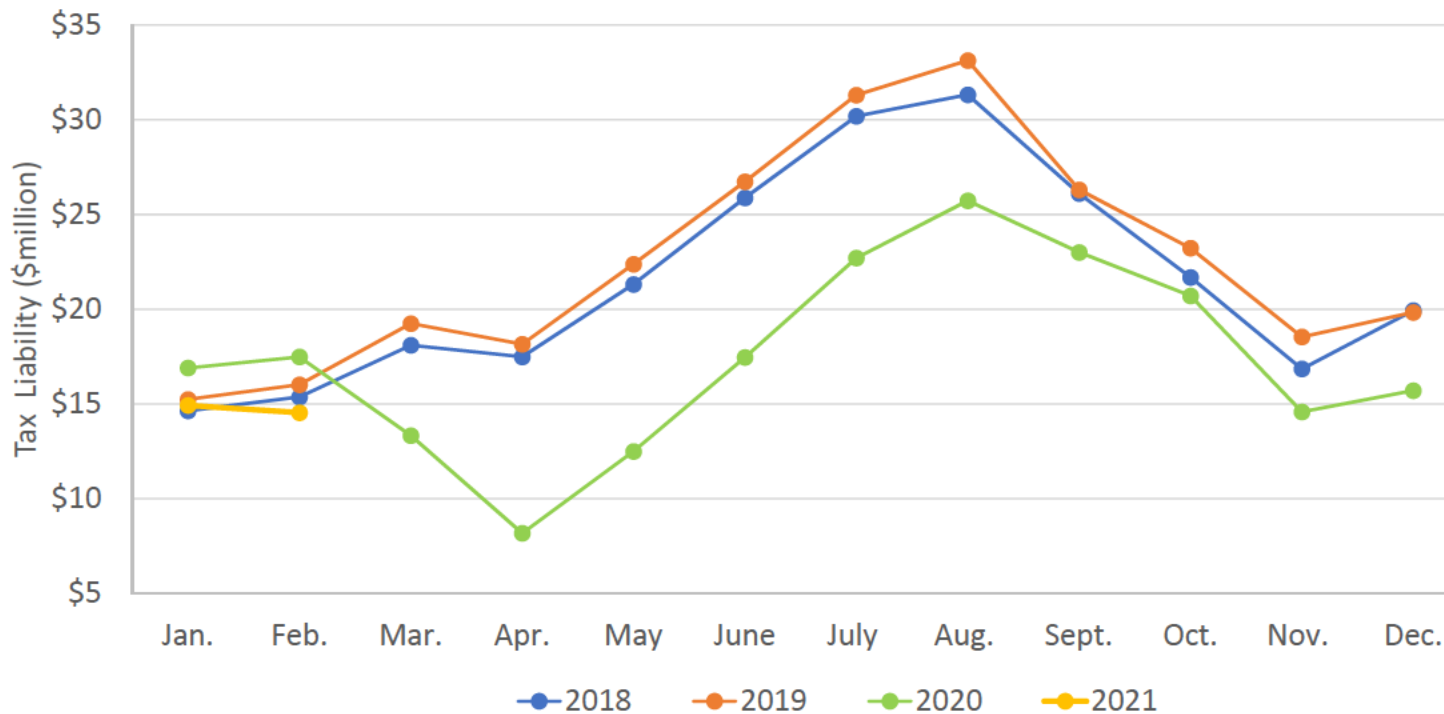
Prepared Foods Sales Tax

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

July 19 – Feb.20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	February 21	Nov. 20 – Feb 21
5.3%	-43.1%	-30.8%	-18.0%	-15.5%	-20.8%	-11.7%	-16.8%	-17.9%

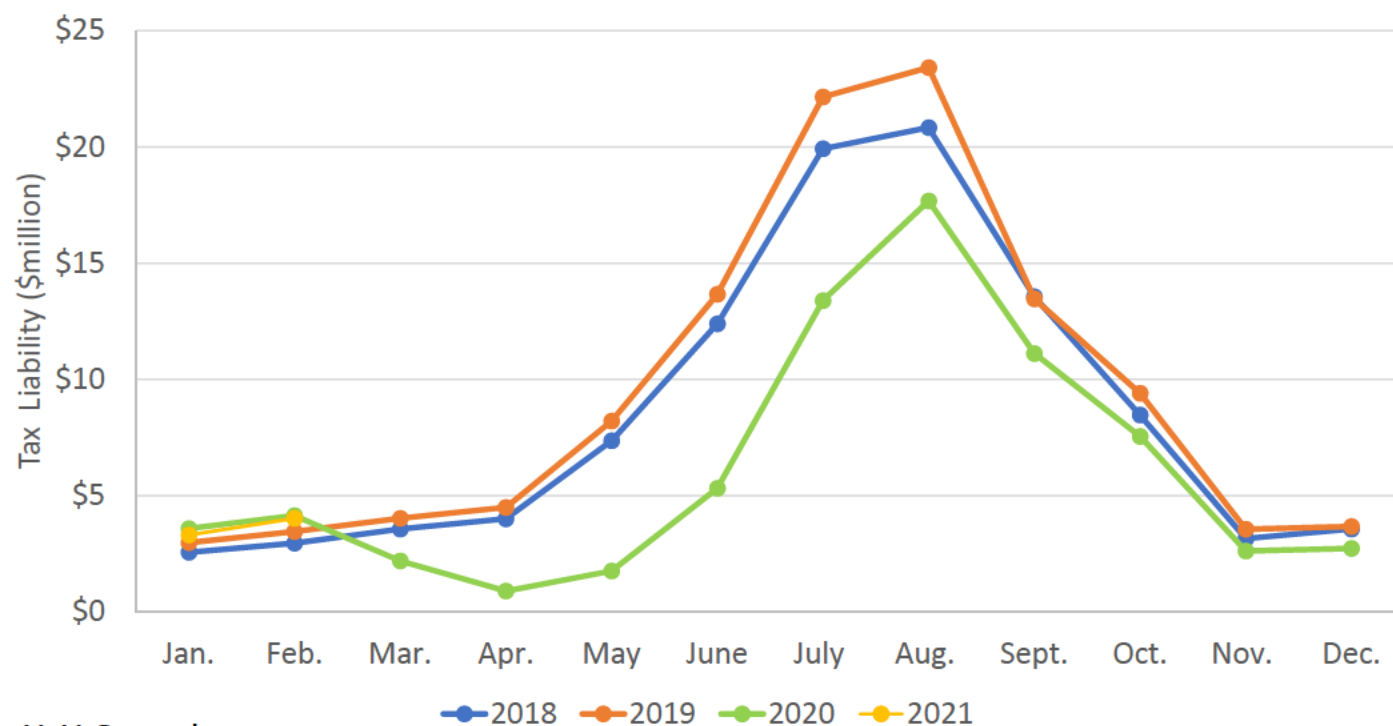
Rental of Lodging Sales Tax

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%

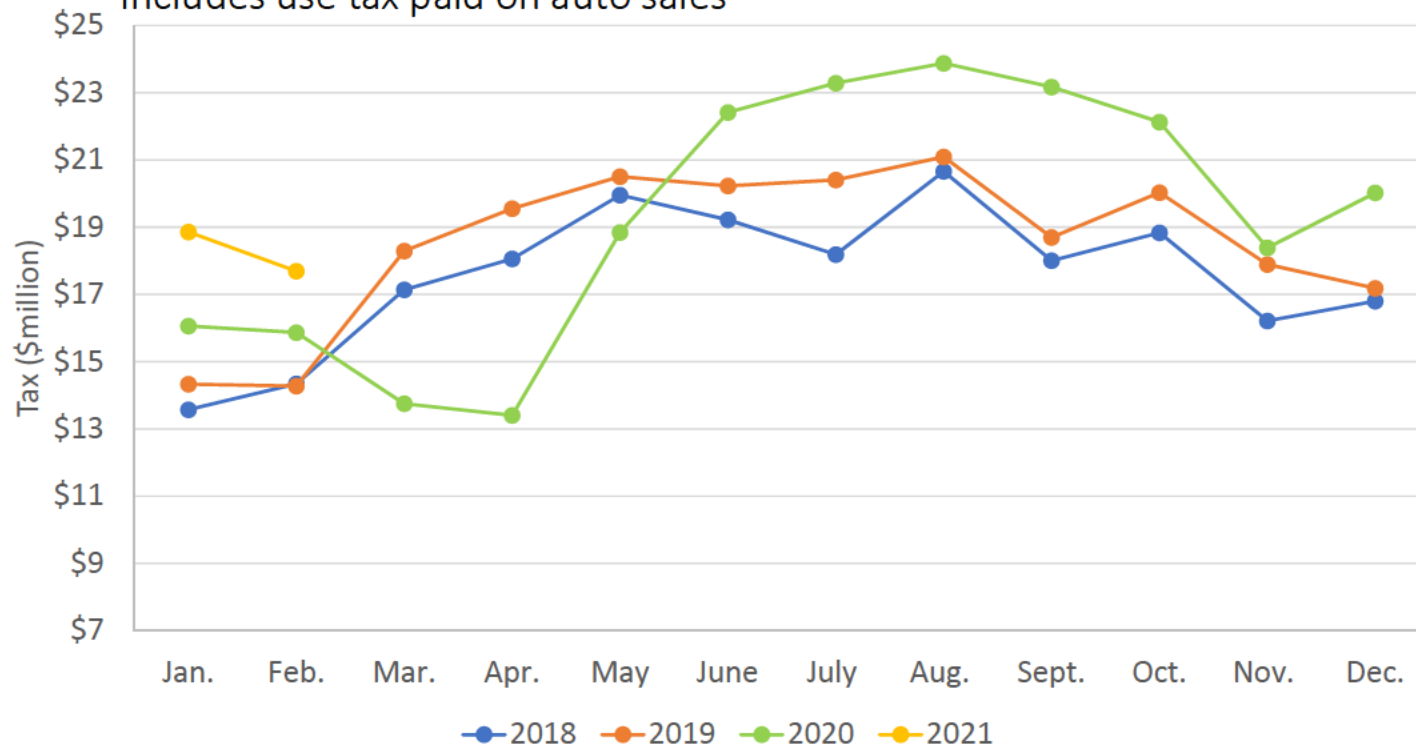


YoY Growth

July 19 – Feb. 20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	February 21	Nov. 20 – Feb 21
9.9%	-71.0%	-47.8%	-21.9%	-21.5%	-25.6%	-7.7%	-2.8%	-15.2%

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%

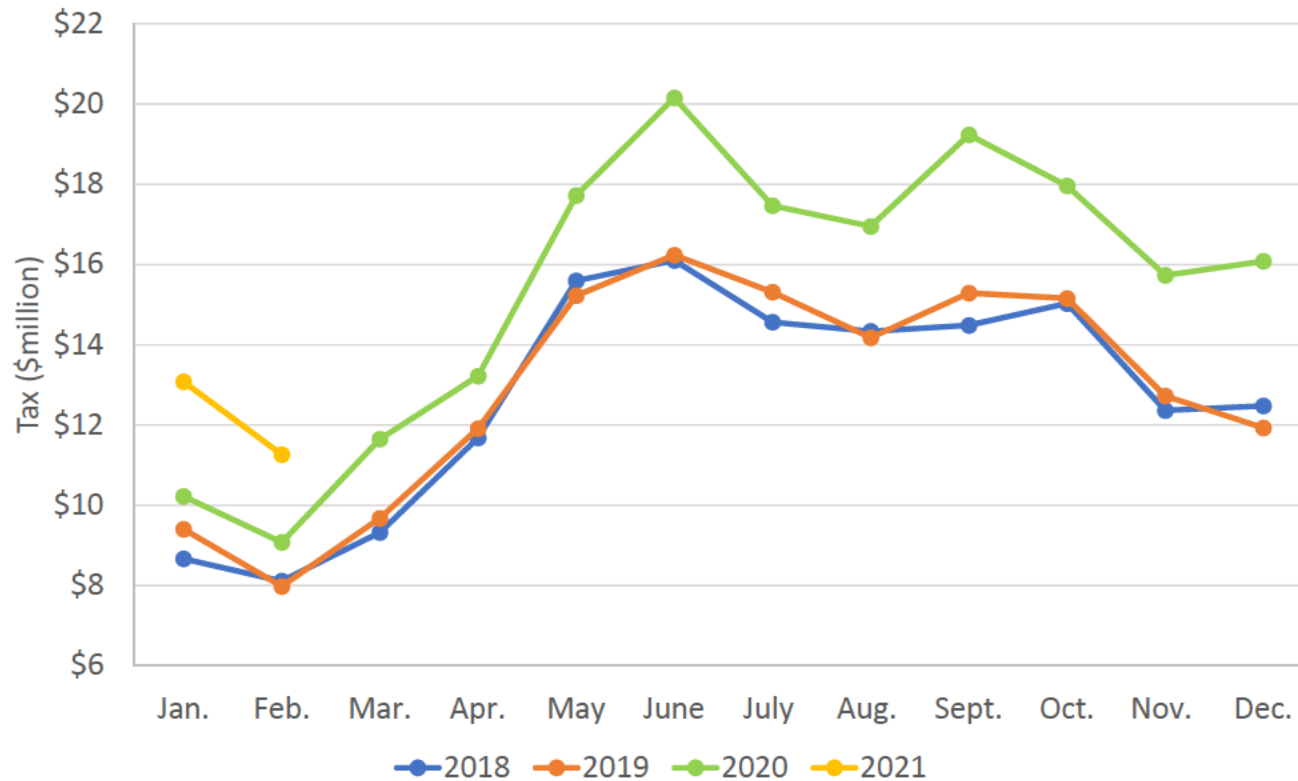
CY 2019 Share of Taxable Sales by Quarter:

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

YoY Growth

July 19 – Feb.20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	February 21	Nov. 20 – Feb 21
7.3%	-21.2%	12.5%	18.3%	6.8%	16.5%	17.4%	11.5%	11.9%

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:

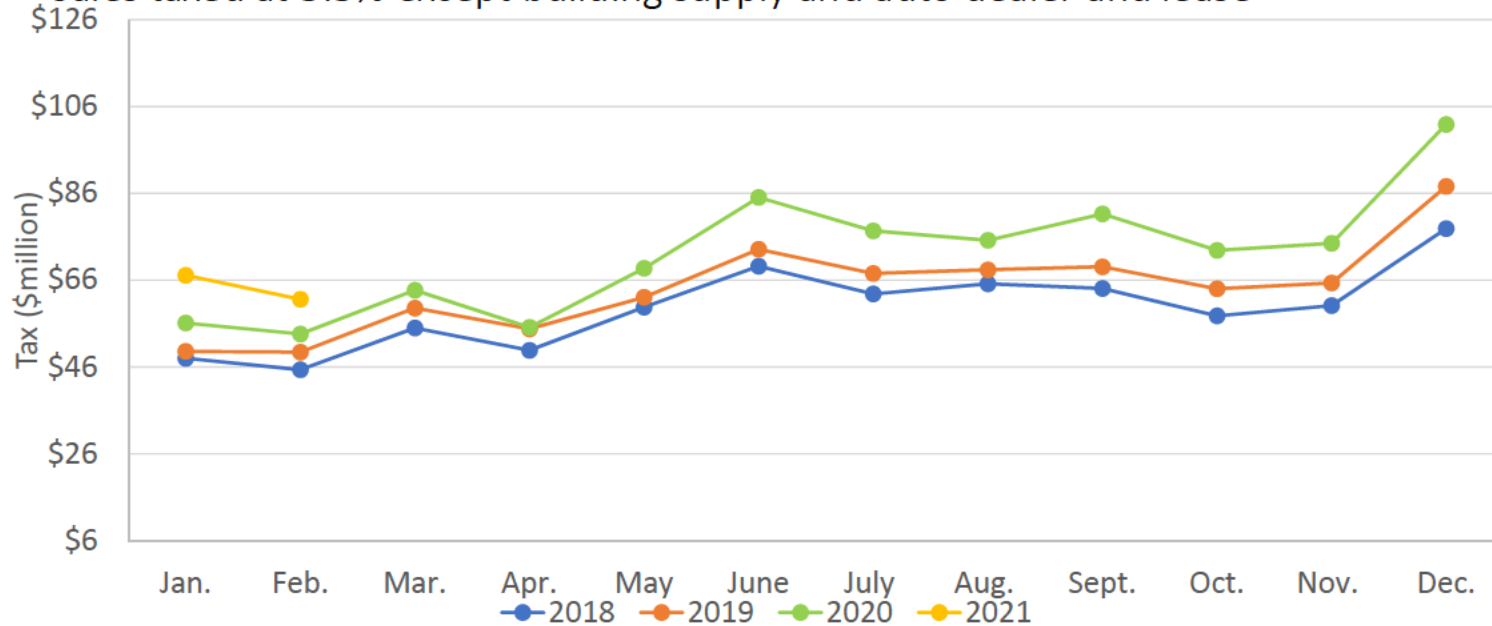
1	17.5%
2	28.0%
3	28.9%
4	25.7%

YoY Growth

July 19 – Feb.20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	February 21	Nov. 20 – Feb 21
3.2%	15.7%	19.2%	22.8%	20.8%	34.8%	28.0%	24.1%	27.8%

5.5% Sales, All Other

Sales taxed at 5.5% except building supply and auto dealer and lease

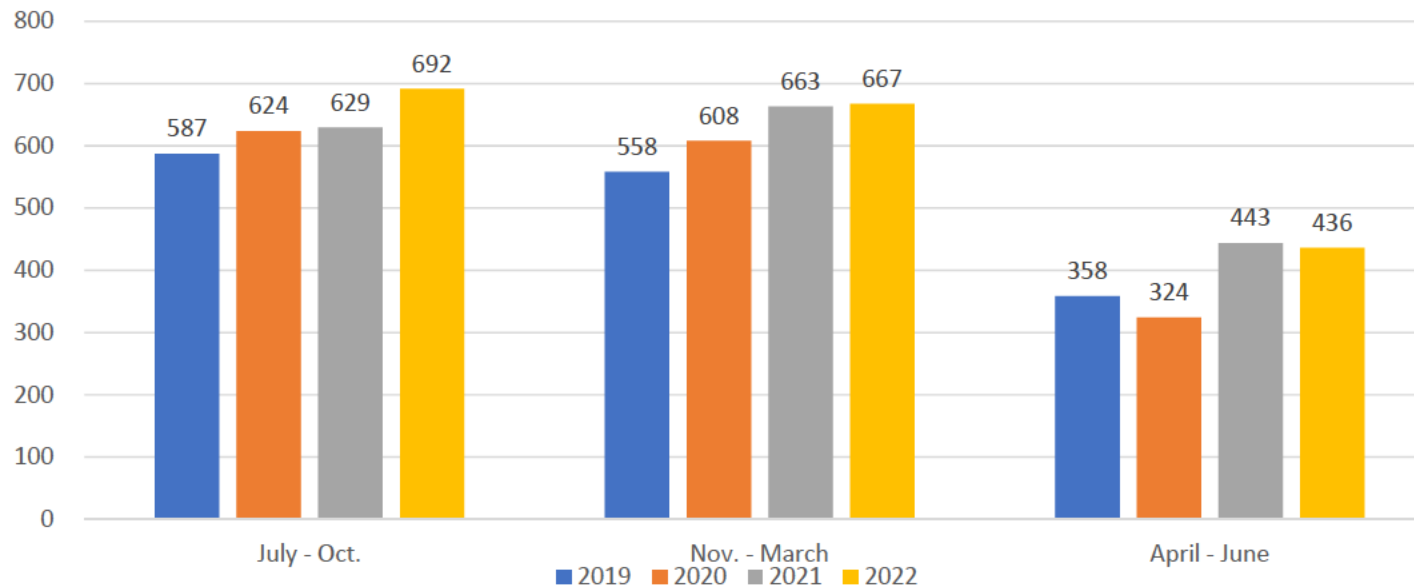


YoY Growth

	July 19 – Feb. 20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	Dec. 20	January 21	February 21	Nov. 20 – Feb 21
Excluding auto & building supply	9.2%	6.3%	15.5%	13.8%	13.9%	16.3%	19.6%	14.9%	16.1%
All 5.5% sales	8.0%	1.7%	15.5%	15.9%	13.5%	18.2%	20.2%	15.3%	16.7%

Fiscal Year 2019 – 22 Sales & Use Tax Revenue

Fiscal Year revenue, \$ million, excluding net accruals in FY 21 and FY 22



FY 2022 Revenue Minus FY 2021 Revenue, Excluding Net Accruals (\$mil)

	July-Oct	Nov -Mar	April - June
Total change in revenue	\$62.5	\$4.1	-\$7.5
Prepared food, Lodging, and Adult Use MJ	\$58.0	\$24.0	\$11.9
Everything Else	\$4.5	-\$19.9	-\$19.5

Individual Income Tax

Individual Income Tax: Annual Growth and Forecast Revision

(\$million)

Fiscal Year	Actual and Forecast	Recommended Change
2017-18	6.5%	
2018-19	5.6%	
2019-20*	7.9%	
2020-21	-1.6%	\$224
2021-22	4.5%	\$150
2022-23	4.3%	\$140
2023-24	4.3%	\$130
2024-25	4.6%	\$122

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

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

- Significant upward revisions to CEFC forecast, particularly wages
- Unemployment insurance income in 2021 /ARP provisions.
- Increase in capital gains forecast.
- Opportunity Maine credit reduced for tax year 2021 due to extension of forbearance period.
- Technical reasons / excessively pessimistic December forecast conditional on CEFC November forecast
 - Data issues resulted in an underestimate of 2019 liability in prior forecast.
 - Likely underestimated liability from business income.

Individual Income Tax: Withholding

(\$million)

	2019	2020	2021		2020	2021
Calendar Year	\$1,464.7	\$1,588.8			8.5%	
Jan. – Mar.	\$375.7	\$408.0	\$447.5		8.6%	9.7%

Growth Rates After Adjustments

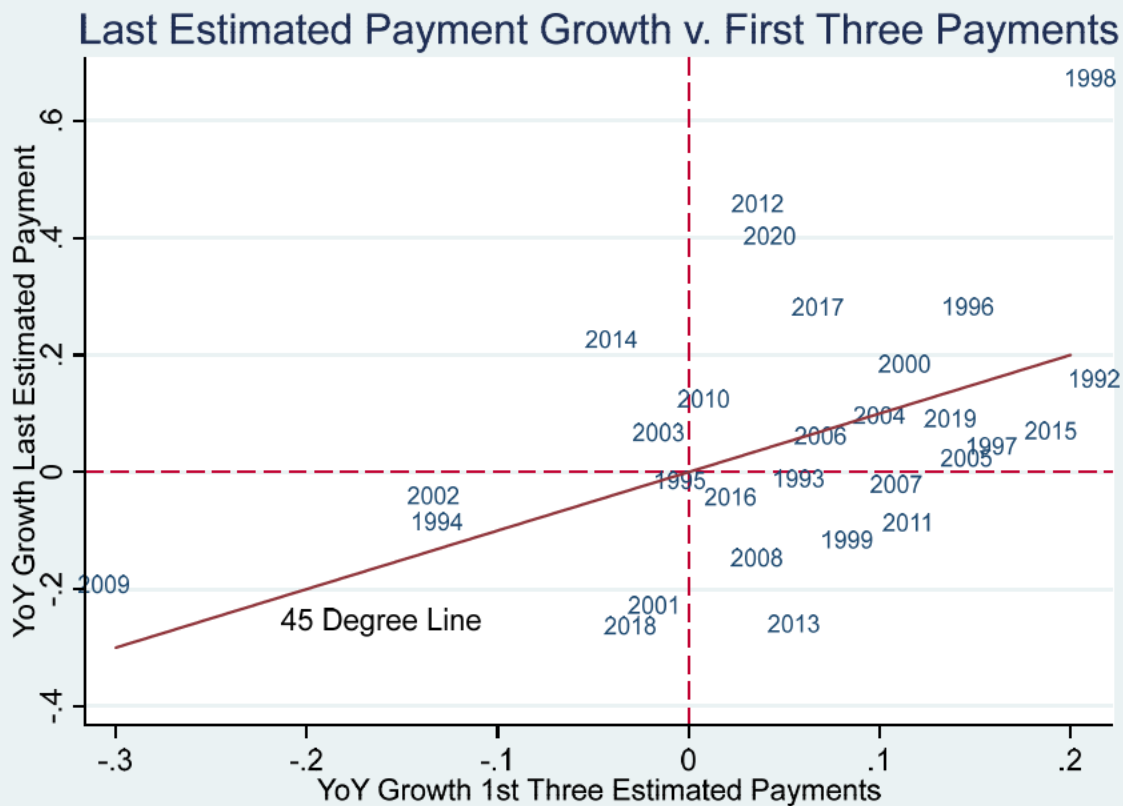
	2020	2021
Remove unemployment insurance withholding:		
Calendar Year	4.8%	
Jan. – Mar.	8.6%	7.3%
Remove UI withholding and adjust for number of Thursdays		
Calendar Year	3.7%	
Jan. – Mar.	8.6%	10.8%

Withholding variance:

\$64.3 million over budget through March

Individual Income Tax: Estimated Payments

(\$million)



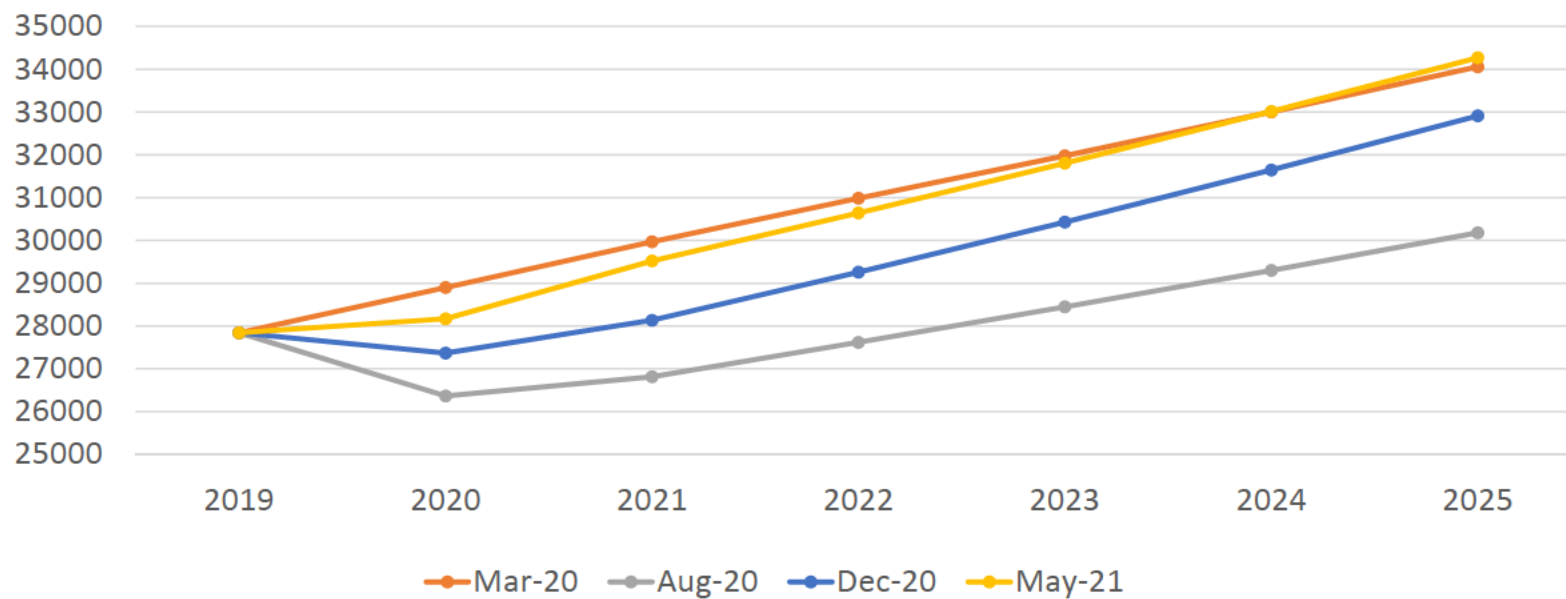
	2019	2020	
Feb. - Nov.	\$219.9	\$229.2	4.3%
Dec. - Jan	\$97.9	\$137.5	40.5%
Total	\$317.7	\$366.7	15.4%

Last estimated payments >\$150,000:

TY 2019: 32, totaling \$10.1 million

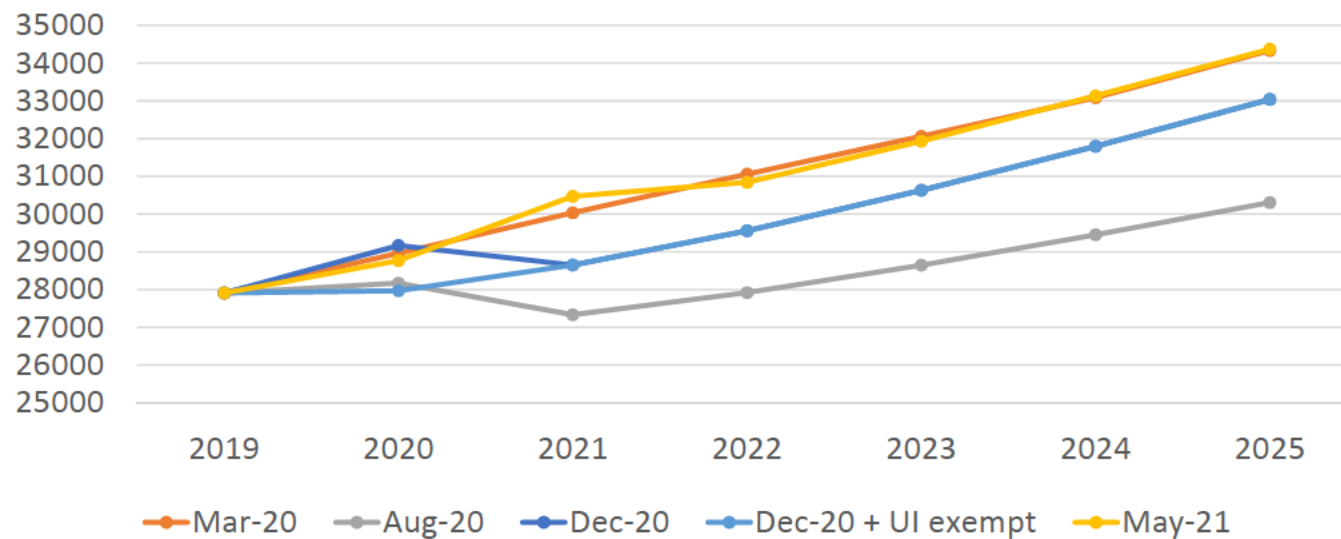
TY 2020: 65, totaling \$37.1 million

Individual Income Tax: Resident 1040 Wages



CEFC April 21 wage forecast	2020	2021	2022	2023	2024	2025
Annual Growth, Nov 20 forecast	-1.5%	3.0%	4.0%	4.0%	4.0%	4.0%
Annual Growth, Apr 21 forecast	1.4%	5.0%	4.0%	4.0%	4.0%	4.0%
Wages relative to Nov 20 forecast	2.9%	4.9%	4.9%	4.9%	4.9%	4.9%

Individual Income Tax: Resident 1040 Wages + Taxable Unemployment Insurance Income (\$million)



	2020	2021	2022	2023	2024	2025
Annual Growth, December 2020	4.5%	-1.8%	3.2%	3.6%	3.8%	3.9%
Annual Growth, December 2020 + UI exemption	0.2%	2.4%	3.2%	3.6%	3.8%	3.9%
Annual Growth, May 2021	3.1%	5.9%	1.2%	3.5%	3.8%	3.7%
May 21 recommendation relative to Dec 20 forecast + UI exemption	2.9%	6.3%	4.3%	4.2%	4.2%	4.0%

Individual income tax: Business Income

Nonfarm Proprietor's Income

	2020	2021	2022	2023	2024	2025
Annual growth:						
November CEFC	-3.0%	3.2%	3.3%	2.5%	2.5%	2.5%
April CEFC	0.8%	3.2%	6.5%	6.0%	5.7%	5.4%
April CEFC, remove PPP*	-7.0%	8.7%	9.6%	6.0%	5.7%	5.4%

*In 2020 the PPP inclusion in nonfarm proprietor's income is the amount reported by the BEA. In 2021 the PPP inclusion is OTP's estimate.

Individual income tax: Capital Gains

Tax Year	2019	2020	2021	2022	2023	2024	2025
Annual growth:							
December RFC	3.2%	-5.1%	-3.2%	3.9%	3.9%	4.0%	4.0%
May RFC	9.3%	10.2%	8.2%	1.3%	-7.5%	-3.9%	-1.4%
CBO Forecast (Sept 2020)	8.3%	-20.5%	0.5%	4.5%	1.1%	2.3%	3.1%
CBO Forecast (Jan 2021)	10.6%	-7.7%	23.8%	1.3%	-7.5%	-3.9%	-1.4%
May 21 resident capital gains liability:							
Relative to March 20 RFC	-\$5.4	\$15.9	\$44.4	\$53.0	\$37.9		
Relative to Dec 20 RFC	\$10.1	\$38.0	\$59.7	\$56.2	\$32.3	\$16.9	\$6.8

Individual Income Tax: Resident Liability

Growth Forecast

Tax Year	Liability before refundable credits	Liability after refundable credits
2020	2.0%	.8%
2021	8.5%	9.2%
2022	2.8%	1.8%
2023	3.7%	3.7%
2024	4.7%	4.8%
2025	4.9%	5.0%

- 2% growth in 2020
 - 1.4% wage growth
 - 10% capital gains growth, justified by strong last estimated payment and stock market performance
 - Taxable unemployment insurance is still ~\$530 million higher than 2019
 - Business income declines, but not as much as last forecast
- 8.5% growth in 2021
 - 5% wage growth
 - 8.2% capital gains growth
 - Required minimum IRA distributions resume
 - Taxable unemployment insurance forecast increase of ~ \$350 million
 - Nonfarm proprietor's income w/o PPP up 9%
 - Withholding up ~10% YoY in 1st 3 months of 2021

Individual Income Tax: Risks

- Downside timing risks: Factors that could increase 2020 liability at the expense of future revenues
 - Deductions for employer share of 2020 OASDI /self-employment taxes that were deferred
 - Business loss carryforwards
 - Taxpayers may have shifted income into 2020 due to policy expectations.
- Upside risk for 2021
 - Possible shifting of income into 2021 that would have been recognized later (corresponding downside risk after 2021).
- Unemployment insurance exemption in 2020
- Many large federal policies with direct implications for state revenues.

Corporate Income Tax

Corporate Income Tax: Annual Growth and Forecast Revision

Fiscal Year	Actual and forecast	Change in Forecast
2017-18	6.0%	
2018-19	36.1%	
2019-20	-14.5%	
2020-21	13.8%	+\$59.0
2021-22	-11.7%	-\$6.0
2022-23	10.0%	\$0
2023-24	11.9%	\$22.0
2024-25	4.9%	\$28.5

Corporate Income Tax: CEFC Before-Tax Corporate Profits Forecast, Annual Growth

	2020	2021	2022	2023	2024	2025
November CEFC	0.6%	10.0%	3.7%	2.7%	2.7%	2.7%
April CEFC	-3.5%	15.0%	4.7%	4.7%	4.7%	4.7%

- 2020 growth would be much worse without government subsidies, including PPP loans that will be forgiven
 - \$280 billion of PPP subsidies to corporate businesses in the national accounts
 - Removing subsidies that are tax exempt in Maine, we estimate 2020 corporate profit growth would be around -16%
- The FY 2022 forecast reflects concerns about overpayments in FY 21
- Evergreen caveats about corporate forecast
 - The CEFC corporate profits forecast is a national forecast and includes corporate businesses whose income is only taxed by the individual income tax system (S-corps) and financial institutions taxed under the franchise tax
 - Corporate revenues are highly volatile and revenue is difficult to predict even when you know tax liability

Other General Fund Taxes

Real estate transfer tax

	Home price, existing median			Home sales, existing single-family	
	November Forecast	April Forecast		November Forecast	April Forecast
2020	11.5%	13.3%		19.3%	22.9%
2021	6.1%	12.1%		-10.8%	-0.5%
2022	3.2%	2.5%		-6.4%	-5.6%
2023	5.3%	1.8%		5.2%	1.6%
2024	3.0%	0.9%		9.0%	2.4%
2025	2.7%	0.9%		0.7%	1.3%

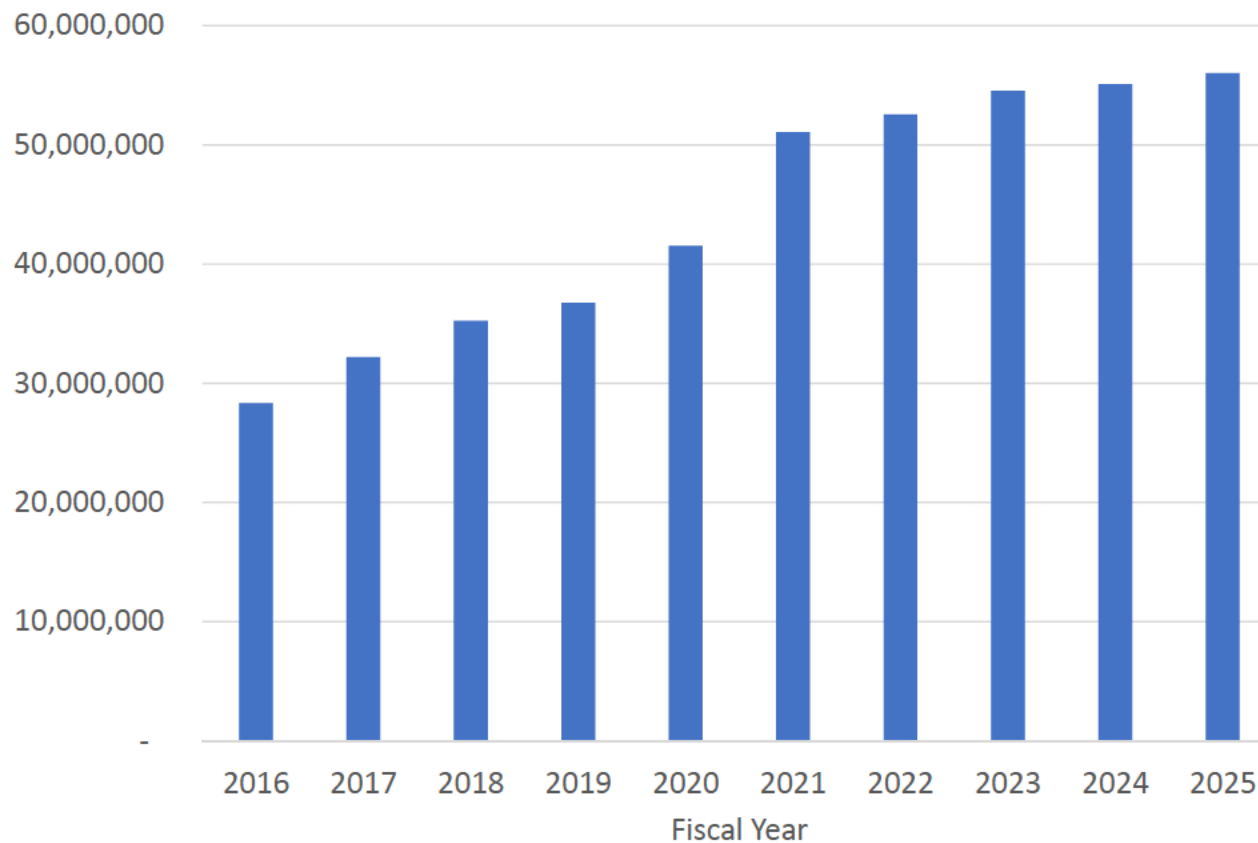
RETT: Forecast Growth, Total Revenue, and General Fund Revenue Revision

	Calendar Year	Calendar Year Adjusted	Fiscal Year	Proposed revision to GF FY Revenue
2020	23.8%	15.0%	12.9%	
2021	8.1%	16.3%	22.9%	\$.9
2022	1.6%	1.6%	2.9%	\$1.1
2023	2.1%	2.1%	3.8%	\$1.1
2024	1.3%	1.3%	1.0%	\$0
2025	1.1%	1.1%	1.7%	-\$0.6

Calendar Year Adjusted= Remove the single transfer of controlling interest transaction that was 7.1% of total calendar year 2020 revenue.

Calendar year revenue = February – January revenue.

Real estate transfer tax: Total Revenue History



Service Provider Tax

Fiscal Year	2020	2021	2022	2023	2024	2025
December RFC	-1.7%	-2.5%	-1.0%	-1.0%	-1.0%	-1.0%
May RFC	-1.7%	-9.4%	-3.0%	-2.0%	-1.0%	-1.0%
Forecast Change (\$mil)		-\$4.0	-\$5.0	-\$5.4	-\$5.4	-\$5.3

- -\$2.1 million variance and -7.7% YoY growth fiscal year to date through March
- Forecast assumes YoY declines will moderate around September
- Both telecommunications businesses and video & cable businesses contribute to the continual decline in SPT revenues
- A small number of taxpayers have experienced especially steep declines but the SPT revenue problem is larger than one or two taxpayers

Estate Tax

Fiscal Year	2021	2022	2023	2024	2025
Forecast Change (\$mil)	\$22	\$11.1	\$1.8	\$1.2	\$1.2

- FY 2021 revision based on variance to date
- FY 2022 revision based on new information about expected payments in FY 2022

Other General Fund

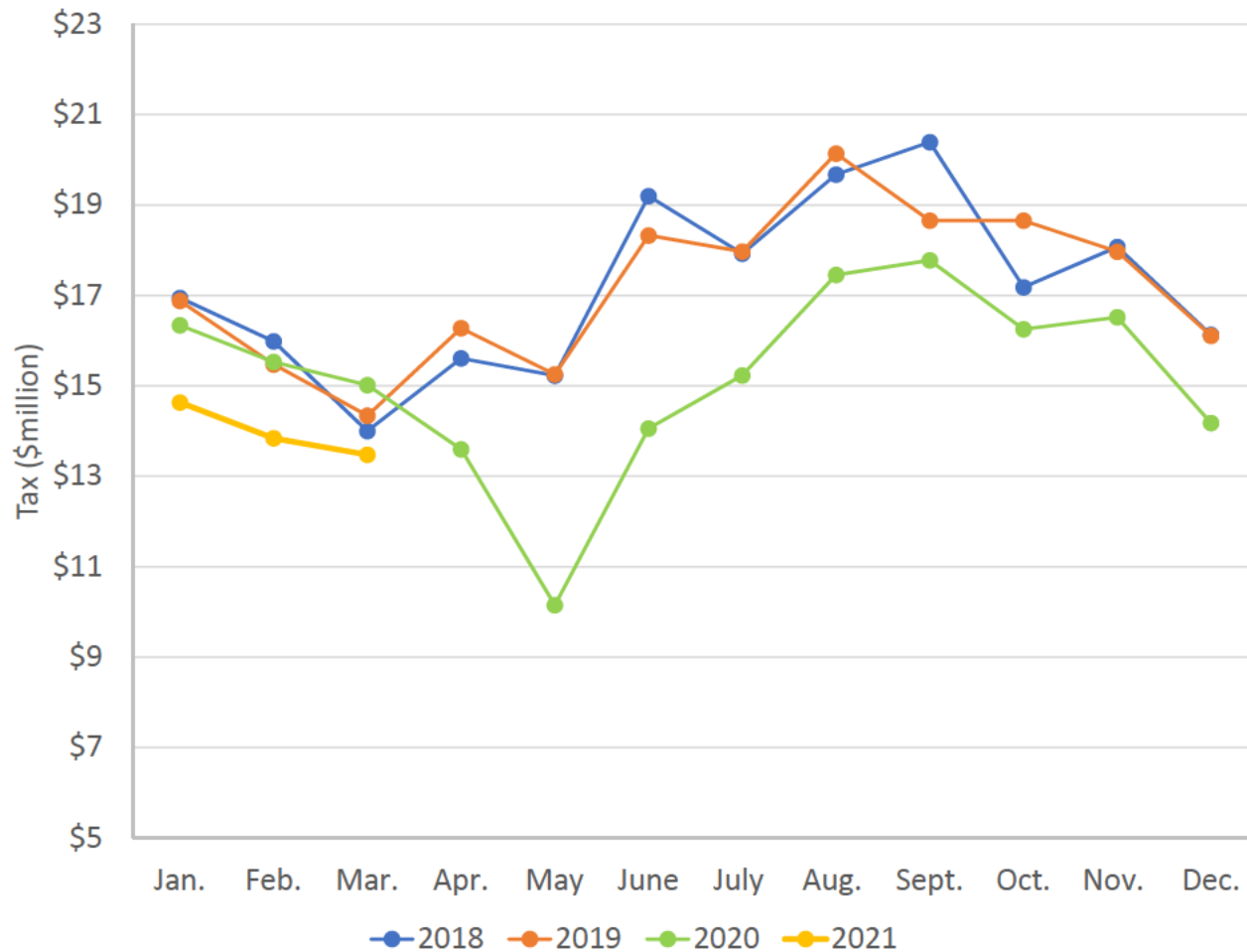
- Cigarette, tobacco, and marijuana excise tax
 - Tobacco revised up \$6.5 - \$7 million per year
 - \$4.6 million variance through March, FY 21 revenue to date already exceeds forecast for full year
 - Major tax increase 1/1/2020, initially revenues did not meet expectation
 - Cigarettes revised down \$3.7 to \$4.5 million per year
 - -\$3.1 million variance through March
 - Marijuana revised down \$3.7 million in FY 21 then down around \$1 million after
- Insurance company tax
 - Minor net change
 - Premiums tax down \$450,000 - \$650,000 year, partially because of New Markets Tax credits transfers
 - Nonadmitted insurance premium tax increase \$600,000 per year
- Container fee
- Commercial forestry excise tax
- Telecommunications excise tax
- BETR
- BETE

Motor Fuels Taxes

Gas Tax: Annual Growth and Proposed Forecast Change

Fiscal Year	Annual Growth	Recommended Revision (\$million)
2017-18	2.4%	
2018-19	-.2%	
2019-20	-5.7%	
2020-21	-4.1%	-\$3.8
2021-22	7.9%	-\$3.2
2022-23	2.7%	-\$2.4
2023-24	1%	-\$2.4
2024-25	1%	-\$2.4

Gas Tax



YoY Revenue Growth

July 19 – March 20	.2%
April – June 2020	-24.0%
July – Oct. 2020	-11.5%
Nov. 20 – Jan. 21	-10.1%
Feb. – Mar. 2021	-10.6%

Gas Tax

- -\$2.7 million variance through March.
- Recommend downward revision of \$3.8 million in FY 21. FY 21 gas tax revenue is 9.5% lower than FY 19.
- Forecast assumes gradual improvement relative to pre-pandemic revenues but slower improvement compared to December forecast.

Special Fuels Tax

- Small positive variance FY to date is the result of lower than forecast refunds. The timing of these refunds is highly variable.
- Gross revenue under budget \$837,000 through March.
- Recommend downward revision of approximately \$100,000 in FY 21 and \$1 million in each year after FY 21.



APPENDIX G

Other Background Materials

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Revenue Forecasting Committee - May 2021 - Hollywood Casino Bangor

GENERAL FUND REVENUE		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - General Fund Revenue			\$4,563,109	\$5,062,821	\$6,328,262	\$6,472,271	\$6,490,799
Incremental Effect of May 2021 Forecast			\$667,876	\$613,052	\$764,637	\$785,540	\$787,280
May 2021 Forecast - Revised General Fund Revenue			\$5,230,985	\$5,675,873	\$7,092,899	\$7,257,811	\$7,278,079
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			\$2,840,909	\$3,116,152	\$3,746,412	\$3,840,073	\$3,849,673
Incremental Effect of May 2021 Forecast			\$359,268	\$450,510	\$541,629	\$555,169	\$556,557
May 2021 Forecast - Fund for a Healthy Maine Revenue			\$3,200,177	\$3,566,662	\$4,288,041	\$4,395,242	\$4,406,230
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	\$369,133,232	\$393,605,096	\$473,214,089	\$485,044,441	\$486,257,052
Player's Share (Payback Value)	B	\$276,210,244	\$333,440,126	\$354,002,421	\$425,601,535	\$436,241,573	\$437,332,177
3% Distribution to City of Bangor (03*(A-B))		\$904,499	\$1,070,793	\$1,188,080	\$1,428,377	\$1,464,086	\$1,467,746
General Fund - Administration (1% of Gross Slot Income)	C	\$3,063,602	\$3,691,332	\$3,936,051	\$4,732,141	\$4,850,444	\$4,862,571
Net Slot Machine Income (=A-B-C)		\$27,086,368	\$32,001,774	\$35,666,624	\$42,880,413	\$43,952,424	\$44,062,304
Licensees' Share of Net Slot Machine Income		\$16,522,685	\$19,521,082	\$21,756,641	\$26,157,052	\$26,810,979	\$26,878,005
Licensees' Share of Net Slot after 3% Distribution to Bangor		\$15,618,186	\$18,450,289	\$20,568,561	\$24,728,675	\$25,346,893	\$25,410,259
Net Table Game Income		\$6,242,658	\$3,995,360	\$4,590,633	\$8,283,798	\$8,325,217	\$8,366,843
Licensee's Share of Net Table Game Income		\$5,243,832	\$3,356,102	\$3,856,132	\$6,958,390	\$6,993,182	\$7,028,148
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	\$960,053	\$1,069,999	\$1,286,412	\$1,318,573	\$1,321,869
General Fund (After 48 months - November 2009)		\$270,864	\$320,018	\$356,666	\$428,804	\$439,524	\$440,623
Fund for a Healthy Maine (FHM)		\$2,708,637	\$3,200,177	\$3,566,662	\$4,288,041	\$4,395,242	\$4,406,230
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	\$614,434	\$684,799	\$823,304	\$843,887	\$845,996
Maine Maritime Academy Scholarship Program (beginning 9/1/13)		\$21,669	\$25,601	\$28,533	\$34,304	\$35,162	\$35,250
Maine Community College System - Scholarship Funds		\$270,864	\$320,018	\$356,666	\$428,804	\$439,524	\$440,623
Resident Municipalities		\$270,864	\$320,018	\$356,666	\$428,804	\$439,524	\$440,623
Supplement Harness Racing Purses		\$2,708,637	\$3,200,177	\$3,566,662	\$4,288,041	\$4,395,242	\$4,406,230
Sire Stakes Fund		\$812,591	\$960,053	\$1,069,999	\$1,286,412	\$1,318,573	\$1,321,869
Fund to Encourage Racing at Maine's Commercial Tracks		\$1,083,455	\$1,280,071	\$1,426,665	\$1,715,217	\$1,758,097	\$1,762,492
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	\$320,018	\$356,666	\$428,804	\$439,524	\$440,623
Agricultural Fair Support Fund		\$812,591	\$960,053	\$1,069,999	\$1,286,412	\$1,318,573	\$1,321,869
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	\$359,582	\$413,157	\$745,542	\$749,270	\$753,016
Gambling Control Board		\$187,280	\$119,861	\$137,719	\$248,514	\$249,757	\$251,005
Municipality		\$124,853	\$79,907	\$91,813	\$165,676	\$166,504	\$167,337
Coordinated Veterans Assistance Fund		\$124,853	\$79,907	\$91,813	\$165,676	\$166,504	\$167,337
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	\$3,691,332	\$3,936,051	\$4,732,141	\$4,850,444	\$4,862,571
General Fund (Other)		\$1,545,294	\$1,539,653	\$1,739,822	\$2,360,758	\$2,407,367	\$2,415,508
Licensing revenue		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$4,608,896	\$5,230,985	\$5,675,873	\$7,092,899	\$7,257,811	\$7,278,079
Fund for a Healthy Maine		\$2,708,637	\$3,200,177	\$3,566,662	\$4,288,041	\$4,395,242	\$4,406,230
Other Special Revenue Funds							
Harness Racing Commission		\$5,688,138	\$6,720,372	\$7,489,991	\$9,004,886	\$9,230,009	\$9,253,083
HRC - Subtotal		\$5,688,138	\$6,720,372	\$7,489,991	\$9,004,886	\$9,230,009	\$9,253,083
PUS- host municipalities		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund		\$520,058	\$614,434	\$684,799	\$823,304	\$843,887	\$845,996
Maine Maritime Academy Scholarship Program		\$21,669	\$25,601	\$28,533	\$34,304	\$35,162	\$35,250
Maine Community College System Scholarships		\$270,864	\$320,018	\$356,666	\$428,804	\$439,524	\$440,623
Resident Municipalities		\$395,717	\$399,925	\$448,479	\$594,480	\$606,028	\$607,960
Gambling Addiction Prevention and Treatment Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Gambling Control Board		\$736,980	\$669,561	\$687,419	\$798,214	\$799,457	\$800,705
Coordinated Veterans Assistance Fund		\$124,853	\$79,907	\$91,813	\$165,676	\$166,504	\$167,337
Subtotal - Other Special Revenue Funds		\$7,883,279	\$8,954,818	\$9,912,700	\$11,974,668	\$12,245,571	\$12,275,954

Revenue Forecasting Committee - May 2021 - Oxford Casino

GENERAL FUND REVENUE	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - General Fund Revenue		\$1,505,841	\$1,382,615	\$2,224,997	\$2,247,247	\$2,269,719
Incremental Effect of May 2021 Forecast		(\$18,078)	\$73,251	\$117,879	\$119,058	\$120,249
May 2021 - Revised General Fund Revenue		\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968

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	\$49,592,095	\$48,528,858	\$78,095,874	\$78,876,833	\$79,665,601
Total Net Table Game Income		\$12,318,385	\$5,368,282	\$8,899,682	\$17,977,358	\$18,157,131	\$18,338,703
Licensees' Share of Total Net Slot Machine Income	54.0%	\$29,416,703	\$26,779,731	\$26,205,584	\$42,171,772	\$42,593,490	\$43,019,425
Licensees' Share of Total Net Table Game Income	84.0%	\$10,347,443	\$4,509,357	\$7,475,733	\$15,100,980	\$15,251,990	\$15,404,510
Total Licensees' Share of Net Income		\$39,764,146	\$31,289,088	\$33,681,317	\$57,272,752	\$57,845,480	\$58,423,935

Distribution of State Share of Net Slot Machine Income		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K-12 Essential Programs and Services	25 0%	\$13,618,844	\$12,398,024	\$12,132,215	\$19,523,969	\$19,719,208	\$19,916,400
Maine's Penobscot and Passamaquoddy Indian Tribes	4 0%	\$2,179,015	\$1,983,684	\$1,941,154	\$3,123,835	\$3,155,073	\$3,186,624
General Fund - Administration	3 0%	\$1,634,261	\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968
University of Maine System Scholarship Fund (4% until 9/1/13)	3 83%	\$2,086,407	\$1,899,377	\$1,858,655	\$2,991,072	\$3,020,983	\$3,051,193
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0 17%	\$92,608	\$84,307	\$82,499	\$132,763	\$134,091	\$135,432
Agricultural Fair Support Fund	1 0%	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
Municipality in which casino is located	2 0%	\$1,089,508	\$991,842	\$970,577	\$1,561,917	\$1,577,537	\$1,593,312
Maine Community College System Scholarship Programs	3 0%	\$1,634,261	\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968
Fund to Supplement Harness Racing Purses	1 0%	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
Sire Stakes Fund	1 0%	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
County in which casino is located	1 0%	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	0.5%	\$272,377	\$247,960	\$242,644	\$390,479	\$394,384	\$398,328
Dairy Improvement Fund (Beginning 7/1/13)	0.5%	\$272,377	\$247,960	\$242,644	\$390,479	\$394,384	\$398,328

Distribution of State Share of Net Table Game Income		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K-12 Essential Programs and Services	10 0%	\$1,231,839	\$536,828	\$889,968	\$1,797,736	\$1,815,713	\$1,833,870
Gambling Control Board	3 0%	\$369,552	\$161,048	\$266,990	\$539,321	\$544,714	\$550,161
Municipality in which casino is located	2 0%	\$246,368	\$107,366	\$177,994	\$359,547	\$363,143	\$366,774
County in which casino is located	1 0%	\$123,184	\$53,683	\$88,997	\$179,774	\$181,571	\$183,387

Revenue Summary	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund						
General Fund Administration	\$1,634,261	\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968
License Fees	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund	\$1,634,261	\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968
Other Special Revenue Funds						
Gambling Control Board	\$567,877	\$359,373	\$465,315	\$737,646	\$743,039	\$748,486
K-12 Essential Programs and Services	\$14,850,683	\$12,934,852	\$13,022,183	\$21,321,705	\$21,534,921	\$21,750,270
Maine's Penobscot and Passamaquoddy Indian Tribes	\$2,179,015	\$1,983,684	\$1,941,154	\$3,123,835	\$3,155,073	\$3,186,624
University of Maine System Scholarship Fund	\$2,086,407	\$1,899,377	\$1,858,655	\$2,991,072	\$3,020,983	\$3,051,193
Maine Maritime Academy Scholarship Program	\$92,608	\$84,307	\$82,499	\$132,763	\$134,091	\$135,432
Agricultural Fair Support Fund	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
Municipality in which casino is located	\$1,335,876	\$1,099,208	\$1,148,571	\$1,921,464	\$1,940,680	\$1,960,086
Maine Community College System Scholarship Programs	\$1,634,261	\$1,487,763	\$1,455,866	\$2,342,876	\$2,366,305	\$2,389,968
Fund to Supplement Harness Racing Purses	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
Sire Stakes Fund	\$544,754	\$495,921	\$485,289	\$780,959	\$788,768	\$796,656
County in which casino is located	\$667,938	\$549,604	\$574,286	\$960,733	\$970,339	\$980,043
Maine Dairy Farm Stabilization Fund	\$272,377	\$247,960	\$242,644	\$390,479	\$394,384	\$398,328
Dairy Improvement Fund	\$272,377	\$247,960	\$242,644	\$390,479	\$394,384	\$398,328
Subtotal - Other Special Revenue Funds	\$25,593,684	\$22,381,855	\$22,489,689	\$36,655,935	\$37,020,510	\$37,388,734

Milk Handling Fee and Transfer to Maine Milk Pool - May 2021 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	\$450,089
Nov.	\$21.39	\$68,938	\$21.29	\$73,413
Dec.	\$22.58	\$84,659	\$23.12	\$85,390
Jan.	\$22.25	\$74,661	\$18.39	\$458,509
Feb.	\$20.80	\$129,514	\$18.79	\$372,000
March	\$20.71	\$157,756	\$18.45	\$446,400
April	\$19.88	\$246,475	\$18.76	\$372,000
May	\$16.20	\$741,963	\$20.43	\$148,800
		\$2,088,021		\$3,546,767

TIER PROGRAM PAYMENTS

FY21	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
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	\$0.31	\$2.14	47,714,020	\$1,019,383
Nov-20	\$18.27	\$0.00	\$0.30	\$1.08	46,143,993	\$498,635
Dec-20	\$17.26	\$0.00	\$0.31	\$1.68	48,222,752	\$810,777
Jan-21	\$15.95	\$0.00	\$0.28	\$3.01	49,551,398	\$1,489,894
Feb-21	\$15.80	\$0.00	\$0.29	\$3.00	45,025,106	\$1,348,995
Mar-21	\$16.15	\$0.00	\$0.29	\$2.15	51,527,530	\$1,109,180
Apr-21	\$16.87	\$0.00	\$0.29	\$1.78	50,071,731	\$893,752
May-21	\$17.82	\$0.00	\$0.29	\$0.96	51,066,730	\$489,983
					FY21 Exp	\$13,026,280
				.5% of net slot income from Oxford Casino		\$247,960
				Net GF Exp		\$12,778,320

Milk Handling Fee and Transfer to Maine Milk Pool - May 2021 Revenue Forecast

HANDLING FEE INCOME

	FY22	FY22	FY23	FY23
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.03	\$148,138	\$22.52	\$148,138
July	\$21.31	\$148,138	\$22.80	\$148,138
August	\$21.64	\$148,138	\$22.77	\$148,138
Sept.	\$21.88	\$148,138	\$23.13	\$148,138
Oct.	\$22.05	\$148,138	\$23.00	\$148,138
Nov.	\$22.12	\$148,138	\$23.00	\$148,138
Dec.	\$22.11	\$148,138	\$23.00	\$148,138
Jan.	\$21.99	\$148,138	\$23.00	\$148,138
Feb.	\$21.77	\$148,138	\$23.00	\$148,138
March	\$21.59	\$148,138	\$23.00	\$148,138
April	\$21.68	\$148,138	\$23.00	\$148,138
May	\$21.94	\$148,138	\$23.00	\$148,138
		\$1,777,656		\$1,777,656

TIER PROGRAM PAYMENTS

FY22	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
Jun-21	\$18.16	\$0.00	\$0.29	\$2.39	49,399,409	\$1,327,145
Jul-21	\$18.41	\$0.00	\$0.29	\$2.02	49,683,081	\$1,013,850
Aug-21	\$18.73	\$0.00	\$0.29	\$1.77	49,223,764	\$715,083
Sep-21	\$19.00	\$0.00	\$0.29	\$1.46	46,925,915	\$446,847
Oct-21	\$19.14	\$0.00	\$0.29	\$1.26	47,714,020	\$355,327
Nov-21	\$19.10	\$0.00	\$0.29	\$1.11	46,143,993	\$308,967
Dec-21	\$18.98	\$0.00	\$0.29	\$1.05	48,222,752	\$344,082
Jan-22	\$18.84	\$0.00	\$0.29	\$1.01	49,551,398	\$361,623
Feb-22	\$18.76	\$0.00	\$0.29	\$0.98	47,705,816	\$318,511
Mar-22	\$18.62	\$0.00	\$0.29	\$0.93	51,527,530	\$371,145
Apr-22	\$18.56	\$0.00	\$0.29	\$0.86	50,071,731	\$349,810
May-22	\$18.68	\$0.00	\$0.29	\$0.80	51,066,730	\$322,947
					FY22 Exp	\$ 6,235,336
					.5% of net slot income from Oxford Casino	\$ 242,644
					Net GF Exp	\$ 5,992,692

FY23	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
Jun-22	\$18.80	\$0.00	\$0.29	\$2.39	49,399,409	\$986,534
Jul-22	\$18.95	\$0.00	\$0.29	\$2.02	49,683,081	\$749,574
Aug-22	\$18.88	\$0.00	\$0.29	\$1.77	49,223,764	\$652,438
Sep-22	\$19.07	\$0.00	\$0.29	\$1.46	46,925,915	\$425,354
Oct-22	\$19.00	\$0.00	\$0.29	\$1.26	47,714,020	\$392,997
Nov-22	\$19.00	\$0.00	\$0.29	\$1.11	46,143,993	\$331,891
Dec-22	\$19.00	\$0.00	\$0.29	\$1.05	48,222,752	\$339,229
Jan-23	\$19.00	\$0.00	\$0.29	\$1.01	49,551,398	\$323,428
Feb-23	\$19.00	\$0.00	\$0.29	\$0.98	47,705,816	\$269,988
Mar-23	\$19.00	\$0.00	\$0.29	\$0.93	51,527,530	\$289,862
Apr-23	\$19.00	\$0.00	\$0.29	\$0.86	50,071,731	\$263,793
May-23	\$19.00	\$0.00	\$0.29	\$0.80	51,066,730	\$260,794
					FY23 Exp	\$ 5,285,881
					.5% of net slot income from Oxford Casino	\$ 390,479
					Net GF Exp	\$ 4,895,402

Milk Handling Fee and Transfer to Maine Milk Pool - May 2021 Revenue Forecast

HANDLING FEE INCOME

	FY24	FY24	FY25	FY25
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.03	\$148,138	\$22.52	\$148,138
July	\$21.31	\$148,138	\$22.80	\$148,138
August	\$21.64	\$148,138	\$22.77	\$148,138
Sept.	\$21.88	\$148,138	\$23.13	\$148,138
Oct.	\$22.05	\$148,138	\$23.00	\$148,138
Nov.	\$22.12	\$148,138	\$23.00	\$148,138
Dec.	\$22.11	\$148,138	\$23.00	\$148,138
Jan.	\$21.99	\$148,138	\$23.00	\$148,138
Feb.	\$21.77	\$148,138	\$23.00	\$148,138
March	\$21.59	\$148,138	\$23.00	\$148,138
April	\$21.68	\$148,138	\$23.00	\$148,138
May	\$21.94	\$148,138	\$23.00	\$148,138
		\$1,777,656		\$1,777,656

TIER PROGRAM PAYMENTS

FY24	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	Average	Average	Average	Average	Total	Total
	\$18.98	\$0.00	\$0.29	\$1.30	587,236,139	\$ 5,285,881
					FY24 Exp	\$ 5,285,881
					.5% of net slot income from Oxford Casino	\$ 394,384
					Net GF Exp	\$ 4,891,497

FY25	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	Average	Average	Average	Average	Total	Total
	\$18.98	\$0.00	\$0.29	\$1.30	587,236,139	\$ 5,285,881
					FY25 Exp	\$ 5,285,881
					.5% of net slot income from Oxford Casino	\$ 398,328
					Net GF Exp	\$ 4,887,553

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

Actual receipts and payments to date

Maine Dept. of Agriculture, Conservation & Forestry Maine Milk Commission
Adjusted by OFPR 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	2019-2020	FY 2021	FY 2021	FY 2021	2020-2021
New Approp	REV SHORT TITLE	REV SRC	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Rev. Est. Dec-20	Req. Chg. May-21	Rev. Est. May-21	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%	43,432,833	24.1%	44,522,563	(3,658,759)	40,863,804	-5.9%
01410AZ19753	RES TRMT FACILITIES TAX	0671	1,777,492	-3.4%	1,905,823	7.2%	1,886,325	-1.0%	2,061,980	9.3%	2,283,248	(116,488)	2,166,760	5.1%
01410AZ21057	RES TRMT FACILITIES TAX	0671	58,705	-5.8%	61,404	4.6%	60,153	-2.0%	65,649	9.1%	72,949	(4,626)	68,323	4.1%
01410AZ21254	RES TRMT FACILITIES TAX	0671	102,932	-0.7%	110,852	7.7%	109,027	-1.6%	122,693	12.5%	138,767	18,356	157,123	28.1%
	Subtotal RTF Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,494,963	(102,758)	2,392,205	6.3%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%	115,464,903	12.6%	115,888,143	19	115,888,162	0.4%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	730,857	13.2%	759,814	4.0%	793,987	4.5%	767,968	-3.3%	756,928		756,928	-1.4%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	20,436,200	9.5%	21,859,304	7.0%	23,642,031	8.2%	25,264,933	6.9%	24,388,543	308,672	24,697,215	-2.2%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	2,972,538	12.3%	3,090,313	4.0%	3,229,302	4.5%	3,104,342	-3.9%	4,111,533	2,324,992	6,436,525	107.3%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	2,926,850	-27.6%	3,315,623	13.3%	3,532,821	6.6%	3,278,670	-7.2%	3,202,256	87,423	3,289,679	0.3%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	785,368	13.2%	816,485	4.0%	853,207	4.5%	819,676	-3.9%	602,728	(283,146)	319,582	-61.0%
01410A014701	MEDICAL CARE SERVICES	0675	15,858,949	18.1%	16,118,882	1.6%	18,373,373	14.0%	19,754,717	7.5%	20,531,833	(3,780,967)	16,750,866	-15.2%
	Subtotal Service Provider (PNMI) Tax		43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%	52,990,306	5.1%	53,593,822	(1,343,026)	52,250,796	-1.4%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	214,138,364	12.7%	216,499,491	(5,104,524)	211,394,967	-1.3%
	Nursing Home Tax		36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%	43,432,833	24.1%	44,522,563	(3,658,759)	40,863,804	-5.9%
	RTF's Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,494,963	(102,758)	2,392,205	6.3%
	Hospital Tax		95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%	115,464,903	12.6%	115,888,143	19	115,888,162	0.4%
	Service Provider (PNMI) Tax		43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%	52,990,306	5.1%	53,593,822	(1,343,026)	52,250,796	-1.4%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	214,138,364	12.7%	216,499,491	(5,104,524)	211,394,967	-1.3%

Medicaid/MaineCare Dedicated Revenue Taxes Detail

			FY 2022	FY 2022	FY 2022	FY 2022	FY 2022	2021-2022	FY 2023	FY 2023	FY 2023	FY 2023	FY 2023	2022-2023
New Approp	REV SHORT TITLE	REV SRC	Rev. Est. Dec-20	Leg. Changes May-21	Rev. Budget May-21	Req. Chg. May-21	Rev. Est. May-21	% Chg.	Rev. Est. Dec-20	Leg. Changes May-21	Rev. Budget May-21	Req. Chg. May-21	Rev. Est. May-21	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	41,786,220	801,806	42,588,026	(3,658,759)	38,929,267	-4.7%	41,786,220		41,786,220	(3,658,759)	38,127,461	-2.1%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,116,115		2,116,115	(116,488)	1,999,627	-7.7%	2,116,115		2,116,115	(116,488)	1,999,627	0 0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	57,000		57,000	(4,626)	52,374	-23.3%	57,000		57,000	(4,626)	52,374	0 0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	105,000		105,000	18,356	123,356	-21.5%	105,000		105,000	18,356	123,356	0 0%
Subtotal	RTF Tax		2,278,115	-	2,278,115	(102,758)	2,175,357	-9.1%	2,278,115	-	2,278,115	(102,758)	2,175,357	0.0%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	115,888,143	11,818,376	127,706,519	19	127,706,538	10.2%	115,888,143	11,818,376	127,706,519	19	127,706,538	0 0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	1,418,435		1,418,435		1,418,435	87.4%	1,418,435		1,418,435		1,418,435	0 0%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	25,584,707	1,952,229	27,536,936	308,672	27,845,608	12.7%	25,584,707		25,584,707	308,672	25,893,379	-7 0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,030,000		3,030,000	2,324,992	5,354,992	-16.8%	3,030,000		3,030,000	2,324,992	5,354,992	0 0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,401,246		3,401,246	87,423	3,488,669	6.0%	3,401,246		3,401,246	87,423	3,488,669	0 0%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	800,000		800,000	(283,146)	516,854	61.7%	800,000		800,000	(283,146)	516,854	0 0%
01410A014701	MEDICAL CARE SERVICES	0675	19,922,230	225,237	20,147,467	(3,780,967)	16,366,500	-2.3%	19,922,230		19,922,230	(3,780,967)	16,141,263	-1.4%
Subtotal	Service Provider (PNMI) Tax		54,156,618	2,177,466	56,334,084	(1,343,026)	54,991,058	5.2%	54,156,618	-	54,156,618	(1,343,026)	52,813,592	-4.0%
			214,109,096	14,797,648	228,906,744	(5,104,524)	223,802,220	5.9%	214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	-1 3%
	Nursing Home Tax		41,786,220	801,806	42,588,026	(3,658,759)	38,929,267	-4.7%	41,786,220	-	41,786,220	(3,658,759)	38,127,461	-2.1%
	RTF's Tax		2,278,115	-	2,278,115	(102,758)	2,175,357	-9.1%	2,278,115	-	2,278,115	(102,758)	2,175,357	0 0%
	Hospital Tax		115,888,143	11,818,376	127,706,519	19	127,706,538	10.2%	115,888,143	11,818,376	127,706,519	19	127,706,538	0 0%
	Service Provider (PNMI) Tax		54,156,618	2,177,466	56,334,084	(1,343,026)	54,991,058	5.2%	54,156,618	-	54,156,618	(1,343,026)	52,813,592	-4 0%
			214,109,096	14,797,648	228,906,744	(5,104,524)	223,802,220	5.9%	214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	-1 3%

Medicaid/MaineCare Dedicated Revenue Taxes Detail

			FY 2024	FY 2024	FY 2024	FY 2024	FY 2024	2023-2024	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025	2024-2025
New Approp	REV SHORT TITLE	REV SRC	Projection Dec-20	Leg. Changes May-21	Rev. Budget May-21	Req. Chg. May-21	Rev. Est. May-21	% Chg.	Projection Dec-20	Leg. Changes May-21	Rev. Budget May-21	Req. Chg. May-21	Rev. Est. May-21	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	41,786,220		41,786,220	(3,658,759)	38,127,461	0.0%	41,786,220		41,786,220	(3,658,759)	38,127,461	0.0%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,116,115		2,116,115	(116,488)	1,999,627	0.0%	2,116,115		2,116,115	(116,488)	1,999,627	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	57,000		57,000	(4,626)	52,374	0.0%	57,000		57,000	(4,626)	52,374	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	105,000		105,000	18,356	123,356	0.0%	105,000		105,000	18,356	123,356	0.0%
	Subtotal RTF Tax		2,278,115	-	2,278,115	(102,758)	2,175,357	0.0%	2,278,115	-	2,278,115	(102,758)	2,175,357	0.0%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	115,888,143	11,818,376	127,706,519	19	127,706,538	0.0%	115,888,143	11,818,376	127,706,519	19	127,706,538	0.0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	1,418,435		1,418,435		1,418,435	0.0%	1,418,435		1,418,435		1,418,435	0.0%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	25,584,707		25,584,707	308,672	25,893,379	0.0%	25,584,707		25,584,707	308,672	25,893,379	0.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,030,000		3,030,000	2,324,992	5,354,992	0.0%	3,030,000		3,030,000	2,324,992	5,354,992	0.0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,401,246		3,401,246	87,423	3,488,669	0.0%	3,401,246		3,401,246	87,423	3,488,669	0.0%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	800,000		800,000	(283,146)	516,854	0.0%	800,000		800,000	(283,146)	516,854	0.0%
01410A014701	MEDICAL CARE SERVICES	0675	19,922,230		19,922,230	(3,780,967)	16,141,263	0.0%	19,922,230		19,922,230	(3,780,967)	16,141,263	0.0%
	Subtotal Service Provider (PNMI) Tax		54,156,618	-	54,156,618	(1,343,026)	52,813,592	0.0%	54,156,618	-	54,156,618	(1,343,026)	52,813,592	0.0%
			214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	0.0%	214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	0.0%
	Nursing Home Tax		41,786,220	-	41,786,220	(3,658,759)	38,127,461	0.0%	41,786,220	-	41,786,220	(3,658,759)	38,127,461	0.0%
	RTF's Tax		2,278,115	-	2,278,115	(102,758)	2,175,357	0.0%	2,278,115	-	2,278,115	(102,758)	2,175,357	0.0%
	Hospital Tax		115,888,143	11,818,376	127,706,519	19	127,706,538	0.0%	115,888,143	11,818,376	127,706,519	19	127,706,538	0.0%
	Service Provider (PNMI) Tax		54,156,618	-	54,156,618	(1,343,026)	52,813,592	0.0%	54,156,618	-	54,156,618	(1,343,026)	52,813,592	0.0%
			214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	0.0%	214,109,096	11,818,376	225,927,472	(5,104,524)	220,822,948	0.0%