

# MAINE STATE LEGISLATURE

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

**March 2022**



**Christopher Nolan, Chair**  
**Director, Office of Fiscal & Program Review**

**Ryan Wallace**  
**University of Maine System**

**Marc Cyr, Principal Analyst**  
**Office of Fiscal & Program Review**

**Beth Ashcroft**  
**State Budget Officer**

**Michael Allen**  
**Associate Commissioner of Tax Policy**

**Amanda Rector**  
**State Economist**



## STATE OF MAINE REVENUE FORECASTING COMMITTEE

### Members:

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

March 1, 2022

TO: Governor Janet T. Mills  
Members, 130<sup>th</sup> Legislature

FROM: Christopher Nolan, Chair  
Revenue Forecasting Committee

RE: **Revenue Forecast Committee March 1, 2022 Report**

The Revenue Forecasting Committee (RFC) has concluded its update of the current revenue forecast to comply with its statutory reporting date of March 1<sup>st</sup>, to incorporate the new economic forecast released by the Consensus Economic Forecasting Commission (CEFC) on February 1, 2022 and to provide a forecast that reflects revenue performance through the first seven months of FY22. Tables showing the changes made to all the funds forecasted by the committee and a detailed presentation that includes the key assumptions made in developing the forecast have been posted to the RFC's web page and are available [here](#). A more complete report will be added to the web page later this week.

### General Fund Summary

	FY21 Actual	FY22	FY23	FY24	FY25
Current Forecast	\$4,520,591,145	\$4,622,327,266	\$4,704,460,506	\$4,886,311,120	\$5,048,378,090
Annual % Growth		13.9%	2.3%	1.8%	3.9%
Net Increase (Decrease)	\$0	\$234,855,224	\$176,839,781	\$162,631,910	\$198,124,938
Revised Forecast	\$4,520,591,145	\$4,857,182,490	\$4,881,300,287	\$5,048,943,030	\$5,246,503,028
Annual % Growth		13.9%	7.4%	0.5%	3.4%

In its March 2022 update, the RFC has revised General Fund revenue estimates upward by \$234.9 million for FY22 and by \$176.8 million for FY23 for a total increase of \$411.7 million (4.4%) for the 2022-2023 biennium. The forecasted rate of year-over-year growth for General Fund revenue for FY22 is 7.4% and for FY23 is 0.5%. The forecast for FY24 General Fund revenue is revised upward by \$162.6 million and for FY25 by \$198.1 million for a total increase of \$360.8 million (3.6%) for the 2024-2025 biennium. As discussed in more detail below, these General Fund revenue changes are largely the result of positive adjustments to the individual and corporate income tax and the sales tax lines.

The RFC has revised Highway Fund revenue estimates upward by \$1.4 million for FY22 and by \$0.8 million for FY23 for a total increase of \$2.2 million (0.3%) for the 2022-2023 biennium. The forecasted rate of year-over-year growth for Highway Fund revenue for FY22 is 0.7% and for FY23 is 0.9%. The forecast for FY24 and FY 25 Highway Fund revenue is revised upward by \$0.8 million each year for a total increase of \$1.6 million (0.2%) for the 2024-2025 biennium. The Highway Fund revenue changes

are largely the result of increases in the motor vehicle registration and fees and other highway fund revenue lines, while net motor fuels revenue remains unchanged with decreases in estimates for gas tax revenue offset by increases in estimates for special fuels tax revenue.

Changes to the General Fund individual income tax are primarily the result of revenue performance during tax year 2021 indicating that tax year 2021 grew by more than previously forecasted, and more optimistic assumptions of wage and salary growth over the remainder of the forecast period. The February CEFC forecast assumes that wages and salaries will increase 7.7% during CY21, 6.5% for the CY22, 5.5% for CY23, 5.0% for CY24, and 4.0% in CY25. The wages and salaries forecast results in an increase in forecasted individual income tax liability of \$41.7 million in tax year 2021, \$75 million in tax year 2022, \$89 million in tax year 2023, and approximately \$95 million in tax years 2024 and 2025. Stronger growth in capital gains realizations increases 2021 tax liability by \$33 million but has limited impact relative to the December forecast after 2021 as projected decreases in capital gains realizations eventually reduces tax liability from capital gains to levels consistent with tax periods leading up to the pandemic. The revenue increase in FY22 is larger than the later years partly because of timing in receipts. The new forecast continues to assume that taxpayers shifted income into tax year 2021 and out of future tax years in reaction to discussions throughout 2021 of potential tax increases at the federal level. This behavior by high-income taxpayers will boost FY22 revenues at the expense of future fiscal years.

The corporate income tax line has been growing at unusually high year-over-year rates for the last 18 months. Last fiscal year corporate income tax receipts increased by 31.5 percent, and through the first seven months of this fiscal year they have increased by 56.6 percent. Other states with a corporate income tax structure like ours and the federal government have experienced similar growth rates. In this revenue forecast the RFC increased the corporate income tax forecast by \$75.0 million in FY22, \$62.0 million in FY23, and by \$112.3 million in the FY24/25 biennium. Until more detailed information provided on income tax returns is received and analyzed, we can only postulate why corporate income tax revenues have been so high. Three possible explanations that have been discussed are (1) corporate profits, particularly for larger companies, are much stronger than previously estimated, (2) the unique aspects of the pandemic economy have interacted with key provisions of the 2017 federal tax reform act (TCJA) to increase revenue, and (3) corporations in reaction to tax increases discussed in Congress during 2021 shifted income into 2021 to avoid potential future tax increases.

The annual positive adjustments to the General Fund sales and use tax forecast are relatively minor compared to the December revenue forecast and reflect a positive variance of \$12.1 million through January and the new economic forecast from the CEFC. While the sales tax forecast assumes year-over-year growth will slow starting in calendar year 2022, the CEFC's economic forecast estimates Maine households will experience income growth capable of sustaining the current level of spending on taxable goods and services. After FY22, annual sales tax growth is forecasted to be between 3.0 and 3.5 percent, reflecting higher inflation and a gradual shift back to in-person non-taxable services as consumers adjust their mix of spending to where it was pre-pandemic.

The significant revenue increases estimated in this forecast reflect Maine's revenue collection experience through the first seven months of FY22, preliminary data on February revenue, and the latest thinking by economic forecasters on the trajectory of the U.S. and Maine economies over the next four years. However, even with the easing of the Omicron variant of the COVID-19 pandemic, with the possibility of new variants and escalating international events, uncertainty has become the norm. Most of the short-term risk to the current revenue forecast is positive, while ongoing issues (inflation, stock and real estate market valuations, supply chain and labor force constraints etc.) facing the economy make the FY23-25 portions of the forecast volatile and susceptible to significant downside risk. The time between this forecast and the next one scheduled for the fall of CY22 provides time for many of the global challenges to be resolved or could result in additional uncertainty, but either way means the long-term part of this forecast will remain uncertain until at least late this year.

*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

# **Report of the Maine State Revenue Forecasting Committee March 2022 Forecast**

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## Introduction

The Revenue Forecasting Committee (RFC) met on March 1, 2022 to review and update the current revenue forecast to comply with its statutory reporting date of March 1<sup>st</sup>. 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 January 28, 2022, to review and revise its forecast through 2025 and additionally forecast through 2027.

The CEFC sees inflation, especially in energy prices; geopolitical upheaval; interest rate increases; and uncertainty pertaining to the ongoing pandemic and future variants as key risks in the near-term forecast. In addition, the Commission noted two striking facts drawn from 2021 data:

1. Maine's net domestic migration rate was first in New England and sixth in the U.S. and
2. Maine's actual growth in wage and salary income and in total personal income through the first three quarters of 2021 exceeded by a substantial margin the Commission's **full-year** forecast for both variables.

The implication of these facts as well as careful examination of Census survey data and much anecdotal information is that migration to Maine – whether from actual moves or remote work opportunities generated by the pandemic – seemed to be a significant factor in driving employment and income growth in Maine. While the Commission continues to be optimistic about increased in-migration to Maine, it recognizes that demographic inequalities and uneven access to high-speed internet across the state will limit the range of increased in-migration and thus limit its impact on employment and income growth. Economic improvements will also likely see regional variations due to several factors, including public health conditions and uneven real estate market impacts from increasing interest rates and housing prices.

Based on information from the Maine Department of Labor, the CEFC expects an upward revision to employment for 2020 of around 2,000 jobs; this is not currently reflected in the numbers and if the revisions occur as expected, will increase employment levels throughout the forecast years by around 2,000. Total nonfarm employment is forecast to increase by 3.7% in 2021 following an expected upward revision during the benchmarking process, 1.8% in 2022, 1.0% in 2023, 0.4% in 2024, and 0.2% in 2025 before leveling out in 2026 and 2027. The revised forecast anticipates employment will return to pre-pandemic levels between 2023 and 2024 and continue growing to 639.5 thousand (around 641 thousand once 2020 revisions are accounted for) in 2025 before leveling off. This reflects downward revisions in 2022, 2024, and 2025 as the state's demographics weigh against continued migration into the state.

The forecast for total personal income growth was revised up from 5.2% to 6.5% in 2021, from 0.5% to 1.7% in 2022, from 4.6% to 5.0% in 2023, and from 4.8% to 4.9% in 2024, with 2025 left unchanged at 4.6% and 2026 and 2027 forecast at 4.6% and 4.5%, respectively. This revision accounts for stronger growth in wages and salaries and supplements to wages and salaries in 2021-2023.

Growth in wages and salaries, the largest component of personal income, was revised up from 5.5% to 7.7% in 2021, from 5.0% to 6.5% in 2022, from 5.0% to 5.5% in 2023, and left unchanged at 5.0% in 2024 and 4.0% in 2025 with 2026 and 2027 forecast at 4.3% each. Growth in supplements to wages and salaries was

revised up from 4.7% to 5.5% in 2021, from 4.0% to 6.5% in 2022, from 4.0% to 5.5% in 2023, and from 4.0% to 5.0% in 2024, with 2025 left unchanged at 4.0% and 2026 and 2027 forecast at 4.3%. This recognizes a shift with growth in supplements to wages and salaries tracking more closely with wage and salary growth.

Nonfarm proprietors' income was revised up from 5.5% to 10.0% in 2021 and from 6.5% to 8.5% in 2022. The forecasts for 2023-2025 were left unchanged, with 2026 forecast at 4.5% and 2027 forecast at 3.7%. The forecast for growth in dividends, interest, and rent was left unchanged for all years, with 2026 forecast at 5.1% and 2027 forecast at 5.0%. Growth in personal current transfer receipts was also left unchanged for all years, with 2026 and 2027 both forecast at 4.9%.

Growth in the Consumer Price Index (CPI) came in at 4.7% for 2021, up from the CEFC's forecast of 4.4%. The CEFC revised its forecast up from 3.5% to 5.0% in 2022, from 2.1% to 4.0% in 2023, and from 2.1% to 2.5% in 2024 and 2025, with 2026 and 2027 also forecast at 2.5%. The higher energy prices, increased demand, and supply constraints that have recently led to increased inflation are expected to continue through 2022 and into 2023 before abating.

Finally, the forecast for corporate profits was revised up from 30.0% to 45.0% in 2021 to reflect year-to-date information on revenues from corporate income taxes. The forecasts for 2022 and 2023 were also revised up, from 2.0% in 2022 and 3.0% in 2023 to 4.0% in both years. 2024 and 2025 were left unchanged at 6.0%, with 2026 and 2027 also forecast at 6.0%.

A copy of the February 1, 2022, report of the CEFC 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 March 1, 2022 and agreed to those recommendations. The following tables and narratives highlight the final changes to each of the major funds and revenue sources accepted by the RFC as part of its March 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 Actual	FY22	FY23	FY24	FY25
Current Forecast	\$4,520,591,145	\$4,622,327,266	\$4,704,460,506	\$4,886,311,120	\$5,048,378,090
Annual % Growth	13.9%	2.3%	1.8%	3.9%	3.3%
Net Increase (Decrease)	\$0	\$234,855,224	\$176,839,781	\$162,631,910	\$198,124,938
Revised Forecast	\$4,520,591,145	\$4,857,182,490	\$4,881,300,287	\$5,048,943,030	\$5,246,503,028
Annual % Growth	13.9%	7.4%	0.5%	3.4%	3.9%

**General Fund** revenue estimates are revised upward by \$234.9 million for FY22 and by \$176.8 million for FY23 for a total increase of \$411.7 million (4.4%) for the 2022-2023 biennium. The forecasted rate of year-over-year growth for General Fund revenue for FY22 is 7.4% and for FY23 is 0.5%. The forecast for FY24 General Fund revenue is revised upward by \$162.6 million and for FY25 by \$198.1 million for a total



increase of \$360.8 million (3.6%) for the 2024-2025 biennium. As discussed in more detail below, these General Fund revenue changes are largely the result of positive adjustments to the individual and corporate income tax and the sales tax lines.

Changes to the General Fund individual income tax are primarily the result of revenue performance during tax year 2021 indicating that tax year 2021 grew by more than previously forecasted, and more optimistic assumptions of wage and salary growth over the remainder of the forecast period. The February CEFC forecast assumes that wages and salaries will increase 7.7% during CY21, 6.5% for the CY22, 5.5% for CY23, 5.0% for CY24, and 4.0% in CY25. The wages and salaries forecast results in an increase in forecasted individual income tax liability of \$41.7 million in tax year 2021, \$75 million in tax year 2022, \$89 million in tax year 2023, and approximately \$95 million in tax years 2024 and 2025. Stronger growth in capital gains realizations increases 2021 tax liability by \$33 million but has limited impact relative to the December forecast after 2021 as projected decreases in capital gains realizations eventually reduces tax liability from capital gains to levels consistent with tax periods leading up to the pandemic. The revenue increase in FY22 is larger than the later years partly because of timing in receipts. The new forecast continues to assume that taxpayers shifted income into tax year 2021 and out of future tax years in reaction to discussions throughout 2021 of potential tax increases at the federal level. This behavior by high-income taxpayers will boost FY22 revenues at the expense of future fiscal years.

The corporate income tax line has been growing at unusually high year-over-year rates for the last 18 months. Last fiscal year corporate income tax receipts increased by 31.5 percent, and through the first seven months of this fiscal year they have increased by 56.6 percent. Other states with a corporate income tax structure like ours and the federal government have experienced similar growth rates. In this revenue forecast the RFC increased the corporate income tax forecast by \$75.0 million in FY22, \$62.0 million in FY23, and by \$112.3 million in the FY24/25 biennium. Until more detailed information provided on income tax returns is received and analyzed, we can only postulate why corporate income tax revenues have been so high. Three possible explanations that have been discussed are (1) corporate profits, particularly for larger companies, are much stronger than previously estimated, (2) the unique aspects of the pandemic economy have interacted with key provisions of the 2017 federal tax reform act (TCJA) to increase revenue, and (3) corporations in reaction to tax increases discussed in Congress during 2021 shifted income into 2021 to avoid potential future tax increases.

The annual positive adjustments to the General Fund sales and use tax forecast are relatively minor compared to the December revenue forecast and reflect a positive variance of \$12.1 million through January and the new economic forecast from the CEFC. While the sales tax forecast assumes year-over-year growth will slow starting in calendar year 2022, the CEFC's economic forecast estimates Maine households will experience income growth capable of sustaining the current level of spending on taxable goods and services. After FY22, annual sales tax growth is forecasted to be between 3.0 and 3.5 percent, reflecting higher inflation and a gradual shift back to in-person non-taxable services as consumers adjust their mix of spending to where it was pre-pandemic.

Other notable adjustments to General Fund revenue lines include:

- **Cigarette Tax and Other Tobacco Taxes.** The forecast assumes a negative adjustment for cigarette and other tobacco taxes revenue of \$0.5 million in FY22, \$2.1 million in FY23 and \$5.1 million for the 2024-2025 biennium. All of the annual revenue adjustments are from the adult-use marijuana excise tax. Growth rates in the adult-use marijuana excise tax are forecasted to be lower than previously projected (see below). No changes were made to the cigarette and other tobacco products forecast.

- **Estate Tax.** The forecast for estate taxes assumes an increase of \$8.1 million for FY22, \$2.0 million for FY23 and \$5.8 million for the 2024-2025 biennium. These positive adjustments are the result of a stronger economic forecast of household net worth.
- **Adult-Use Marijuana Sales Tax.** The forecast assumes gross adult-use marijuana sales tax revenue of \$11.4 million in FY22, \$15.0 million in FY23, \$18.5 million in FY24 and \$22.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are included in Other Revenue and are estimated to be \$2.1 million in FY 22, \$3.1 million in FY23, \$3.9 million in FY24 and \$4.8 million in FY25. Note, these adult-use marijuana estimates do not include the General Fund revenue from the sales tax on medical marijuana sales.
- **Adult-Use Marijuana Excise Tax.** The forecast assumes gross excise tax revenue of \$7.2 million in FY22, \$11.0 million in FY23, \$14.3 million in FY24 and \$17.9 million in FY25. These estimates are gross amounts before transfers to the Adult Use Marijuana Public Health and Safety Fund.
- **Transfer to Municipal Revenue Sharing.** Reflecting the increases in sales and income taxes previously discussed, municipal revenue sharing transfers are forecasted to increase (a net decrease in General Fund revenue) by \$23.1 million in FY22, by \$21.1 million in FY23 and by \$42.3 million for the 2024-2025 biennium.
- **Income from Investments.** Income from investments is forecast to increase by \$1.8 million in FY22, \$4.8 million in FY23 and by \$6.5 million for the 2024-2025 biennium. The increases are the result of increased fund balance assumptions and higher cash pool rate projections.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is increased by \$3.0 million in FY22, \$3.0 million in FY23 and \$7.4 million for the 2024-2025 biennium. 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.

### Highway Fund Summary

	FY21 Actual	FY22	FY23	FY24	FY25
Current Forecast	\$334,002,888	\$334,754,314	\$338,389,290	\$340,857,849	\$343,304,836
Annual % Growth	2.1%	0.2%	1.1%	0.7%	0.7%
Net Increase (Decrease)	\$0	\$1,437,360	\$784,105	\$802,643	\$776,953
Revised Forecast	\$334,002,888	\$336,191,674	\$339,173,395	\$341,660,492	\$344,081,789
Annual % Growth	2.1%	0.7%	0.9%	0.7%	0.7%

**Highway Fund** revenue estimates are revised upward by \$1.4 million for FY22 and by \$0.8 million for FY23 for a total increase of \$2.2 million (0.3%) for the 2022-2023 biennium. The forecasted rate of year-over-year growth for Highway Fund revenue for FY22 is 0.7% and for FY23 is 0.9%. The forecast for FY24 and FY25 Highway Fund revenue is revised upward by \$0.8 million each year for a total increase of \$1.6 million (0.2%) for the 2024-2025 biennium. The Highway Fund revenue changes are largely the result of increases in the motor vehicle registration and fees and other highway fund revenue lines, while net motor fuels revenue remains unchanged with decreases in estimates for gas tax revenue offset by increases in estimates for special fuels tax revenue.

### Fund for a Healthy Maine Summary

	FY21 Actual	FY22	FY23	FY24	FY25
Current Forecast	\$51,082,487	\$45,430,770	\$47,708,118	\$34,921,921	\$34,958,334
Annual % Growth	3.1%	-11.1%	5.0%	-26.8%	0.1%
Net Increase (Decrease)	\$0	\$1,393,624	\$1,189,668	\$1,170,570	\$1,142,486
Revised Forecast	\$51,082,487	\$46,824,394	\$48,897,786	\$36,092,491	\$36,100,820
Annual % Growth	3.1%	-8.3%	4.4%	-26.2%	0.0%

**Fund for a Healthy Maine (FHM)** revenue estimates are revised upward by \$1.4 million for FY22 and by \$1.2 million for FY23 for a total increase of 2.6 million (2.8%) for the 2022-2023 biennium. The forecast for FY24 is increased by \$1.2 million and by \$1.1 million for FY25 for a total increase of \$2.3 million (3.3%) for the 2024-2025 biennium.

Revenue for the FHM primarily derives from the state's annual Tobacco Settlement Payment (TSP). As in previous forecasts, this forecast for TSPs is based on the latest forecast from the National Association of Attorneys General (NAAG), but updates the NAAG forecast to account for the most recent CPI increase for calendar year 2021 which was more than double the amount included in the NAAG forecast. The calculation of the TSP in the Master Settlement Agreement (MSA) includes an annual CPI increase that is set at 3% and only changes if the actual CPI is above 3% (which hasn't happened since calendar year 2007). To reflect the 7.04% actual 2021 CPI increase (December 2020 to December 2021), the TSP forecast is revised upward by \$1,000,000 per year. This forecast does not reflect a CPI increase above 3% for future years.

The FHM share of casino revenue is increased by \$0.4 million for FY22, \$0.1 million for FY23, \$0.2 million for FY24 and \$0.1 million for FY25, consistent with the larger changes in the forecast for Hollywood Casino Bangor revenue. The FHM forecast also assumes increased revenue from income from investments.

#### **Medicaid/MaineCare Dedicated Revenue Taxes Summary**

	<b>FY21 Actual</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Current Forecast	\$208,221,403	\$225,690,793	\$231,064,290	\$231,064,290	\$231,064,290
Annual % Growth	-2.8%	8.4%	2.4%	0.0%	0.0%
Net Increase (Decrease)	\$0	(\$3,222,639)	\$0	\$0	\$0
Revised Forecast	\$208,221,403	\$222,468,154	\$231,064,290	\$231,064,290	\$231,064,290
Annual % Growth	-2.8%	6.8%	3.9%	0.0%	0.0%

**Medicaid/MaineCare Dedicated** revenue estimates are revised downward by \$3.2 million for FY22 and are unchanged for FY23 through FY25. The negative adjustment for FY22 assumes decreases in dedicated revenue from the nursing facility tax and the service provider tax. These downward adjustments are based on trending forward actual collections to date for these two dedicated revenue sources.

## **Conclusion**

The significant General Fund revenue increases estimated in this forecast reflect Maine's revenue collection experience through the first seven months of FY22, preliminary data on February revenue, and the latest thinking by economic forecasters on the trajectory of the U.S. and Maine economies over the next four years. However, even with the easing of the Omicron variant of the COVID-19 pandemic, with the possibility of new variants and escalating international events, uncertainty has become the norm. Most of the short-term risk to the current revenue forecast is positive, while ongoing issues (inflation, stock and real estate market valuations, supply chain and labor force constraints etc.) facing the economy make the FY23-25 portions of the forecast volatile and susceptible to significant downside risk. The time between this forecast and the next one scheduled for the fall of CY22 provides time for many of the global challenges to be resolved or could result in additional uncertainty, but either way means the long-term part of this forecast will remain uncertain until at least late this year.



## **Appendix A**

# **General Fund Summary Table**

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY21 Budget	FY21 Variance	% Var
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%	1,804,226,077	16.0%	1,770,861,678	33,364,399	1.9%
Service Provider Tax	61,211,051	59,601,858	-2.6%	59,012,956	-1.0%	58,012,511	-1.7%	51,350,442	-11.5%	52,562,000	(1,211,558)	-2.3%
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%	2,069,715,593	12.7%	1,806,896,250	262,819,343	14.5%
Corporate Income Tax	175,239,114	185,737,065	6.0%	252,866,884	36.1%	216,131,489	-14.5%	284,316,774	31.5%	246,035,000	38,281,774	15.6%
Cigarette and Tobacco Tax	144,243,207	132,949,700	-7.8%	125,977,694	-5.2%	137,331,317	9.0%	147,228,383	7.2%	142,690,000	4,538,383	3.2%
Insurance Companies Tax	76,553,592	73,468,185	-4.0%	77,277,183	5.2%	82,145,116	6.3%	84,462,691	2.8%	84,350,000	112,691	0.1%
Estate Tax	11,717,686	13,801,409	17.8%	15,851,350	14.9%	21,079,344	33.0%	40,399,594	91.7%	40,050,000	349,594	0.9%
Other Taxes and Fees *	148,183,240	145,822,739	-1.6%	150,110,769	2.9%	139,144,510	-7.3%	157,423,377	13.1%	147,077,207	10,346,170	7.0%
Fines, Forfeits and Penalties	19,589,175	18,402,955	-6.1%	15,485,118	-15.9%	9,986,146	-35.5%	8,720,806	-12.7%	10,154,186	(1,433,380)	-14.1%
Income from Investments	3,592,268	6,601,717	83.8%	12,474,570	89.0%	12,121,418	-2.8%	6,748,690	-44.3%	6,296,062	452,628	7.2%
Transfer from Lottery Commission	58,219,690	62,307,123	7.0%	62,675,109	0.6%	64,589,742	3.1%	70,647,717	9.4%	65,000,000	5,647,717	8.7%
Transfers to Tax Relief Programs *	(63,961,530)	(65,413,185)	-2.3%	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,987,519)	-1.8%	(74,462,300)	(1,525,219)	-2.0%
Transfers to Municipal Rev. Sharing	(65,228,793)	(69,338,529)	-6.3%	(74,095,532)	-6.9%	(113,613,360)	-53.3%	(156,047,730)	-37.3%	(148,226,685)	(7,821,045)	-5.3%
Other Revenue *	24,747,389	4,991,864	-79.8%	14,185,246	184.2%	25,367,559	78.8%	27,386,250	8.0%	21,659,433	5,726,816	26.4%
<b>Total - General Fund Revenue</b>	<b>3,454,903,862</b>	<b>3,587,675,847</b>	<b>3.8%</b>	<b>3,848,511,092</b>	<b>7.3%</b>	<b>3,969,343,702</b>	<b>3.1%</b>	<b>4,520,591,145</b>	<b>13.9%</b>	<b>4,170,942,832</b>	<b>349,648,313</b>	<b>8.4%</b>

\* Additional detail provided on pages 4, 5 and 6

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Sales and Use Tax <sup>1</sup>	2,014,653,322	11.7%	28,200,000	2,042,853,322	13.2%	2,076,621,337	3.1%	37,900,000	2,114,521,337	3.5%
Service Provider Tax	51,000,000	-0.7%	0	51,000,000	-0.7%	50,000,000	-2.0%	0	50,000,000	-2.0%
Individual Income Tax	2,048,250,000	-1.0%	126,500,000	2,174,750,000	5.1%	2,104,440,230	2.7%	80,500,000	2,184,940,230	0.5%
Corporate Income Tax	255,033,737	-10.3%	75,000,000	330,033,737	16.1%	273,848,199	7.4%	62,000,000	335,848,199	1.8%
Cigarette and Tobacco Tax <sup>2</sup>	150,745,000	2.4%	(525,000)	150,220,000	2.0%	153,861,000	2.1%	(2,121,000)	151,740,000	1.0%
Insurance Companies Tax	88,250,000	4.5%	0	88,250,000	4.5%	88,800,000	0.6%	0	88,800,000	0.6%
Estate Tax	31,950,000	-20.9%	8,050,000	40,000,000	-1.0%	22,150,000	-30.7%	2,000,000	24,150,000	-39.6%
Other Taxes and Fees *	150,102,585	-4.7%	4,063,848	154,166,433	-2.1%	150,248,261	0.1%	2,738,861	152,987,122	-0.8%
Fines, Forfeits and Penalties	9,887,846	13.4%	(1,623,645)	8,264,201	-5.2%	11,893,139	20.3%	20,000	11,913,139	44.2%
Income from Investments	5,227,906	-22.5%	1,751,301	6,979,207	3.4%	3,393,682	-35.1%	4,772,572	8,166,254	17.0%
Transfer from Lottery Commission	65,000,000	-8.0%	0	65,000,000	-8.0%	60,000,000	-7.7%	0	60,000,000	-7.7%
Transfers to Tax Relief Programs *	(76,150,000)	-0.2%	(1,230,000)	(77,380,000)	-1.8%	(79,700,000)	-4.7%	(1,340,000)	(81,040,000)	-4.7%
Transfers to Municipal Rev. Sharing	(203,301,783)	-30.3%	(9,633,768)	(212,935,551)	-36.5%	(230,169,870)	-13.2%	(9,709,785)	(239,879,655)	-12.7%
Other Revenue *	31,678,653	15.7%	4,302,489	35,981,141	31.4%	19,074,528	-39.8%	79,133	19,153,661	-46.8%
<b>Total - General Fund Revenue</b>	<b>4,622,327,266</b>	<b>2.3%</b>	<b>234,855,224</b>	<b>4,857,182,490</b>	<b>7.4%</b>	<b>4,704,460,506</b>	<b>1.8%</b>	<b>176,839,781</b>	<b>4,881,300,287</b>	<b>0.5%</b>
<b>Change in Biennial Totals</b>								<b>411,695,005</b>		

\* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$11.4 million in FY22; \$15.0 million in FY23; \$18.5 million in FY24 and \$22.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are included in Other Revenue above and are estimated to be \$2.1 million in FY 22; \$3.1 million in FY23; \$3.9 million in FY24 and \$4.8 million in FY25.

2/ Includes revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$7.2 million in FY22; \$11.0 million in FY23; \$14.3 million in FY24 and \$17.9 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 included in Other Revenue above and are estimated to be \$2.1 million in FY 22; \$3.1 million in FY23; \$3.9 million in FY24 and \$4.8 million in FY25.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Sales and Use Tax <sup>1</sup>	2,133,117,000	2.7%	47,700,000	2,180,817,000	3.1%	2,189,882,100	2.7%	56,400,000	2,246,282,100	3.0%
Service Provider Tax	49,500,000	-1.0%	0	49,500,000	-1.0%	49,000,000	-1.0%	0	49,000,000	-1.0%
Individual Income Tax	2,204,640,855	4.8%	63,000,000	2,267,640,855	3.8%	2,302,884,855	4.5%	87,000,000	2,389,884,855	5.4%
Corporate Income Tax	314,568,000	14.9%	54,000,000	368,568,000	9.7%	332,485,000	5.7%	58,250,000	390,735,000	6.0%
Cigarette and Tobacco Tax <sup>2</sup>	155,133,000	0.8%	(2,391,000)	152,742,000	0.7%	157,421,000	1.5%	(2,776,000)	154,645,000	1.2%
Insurance Companies Tax	86,100,000	-3.0%	0	86,100,000	-3.0%	87,050,000	1.1%	0	87,050,000	1.1%
Estate Tax	22,250,000	0.5%	2,750,000	25,000,000	3.5%	22,950,000	3.1%	3,000,000	25,950,000	3.8%
Other Taxes and Fees *	150,554,886	0.2%	3,321,094	153,875,980	0.6%	150,925,682	0.2%	3,897,590	154,823,272	0.6%
Fines, Forfeits and Penalties	11,897,139	0.0%	16,000	11,913,139	0.0%	11,901,339	0.0%	11,800	11,913,139	0.0%
Income from Investments	5,596,456	64.9%	4,645,357	10,241,813	25.4%	6,456,029	15.4%	3,692,874	10,148,903	-0.9%
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 *	(83,100,000)	-4.3%	(1,440,000)	(84,540,000)	-4.3%	(86,700,000)	-4.3%	(1,540,000)	(88,240,000)	-4.4%
Transfers to Municipal Rev. Sharing	(238,186,363)	-3.5%	(8,212,261)	(246,398,624)	-2.7%	(246,772,516)	-3.6%	(10,040,577)	(256,813,093)	-4.2%
Other Revenue *	14,240,147	-25.3%	(757,280)	13,482,867	-29.6%	10,894,601	-23.5%	229,251	11,123,852	-17.5%
<b>Total - General Fund Revenue</b>	<b>4,886,311,120</b>	<b>3.9%</b>	<b>162,631,910</b>	<b>5,048,943,030</b>	<b>3.4%</b>	<b>5,048,378,090</b>	<b>3.3%</b>	<b>198,124,938</b>	<b>5,246,503,028</b>	<b>3.9%</b>
								<b>360,756,848</b>		

\* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from marijuana sales. This forecast assumes gross sales tax revenue of \$11.4 million in FY22; \$15.0 million in FY23; \$18.5 million in FY24 and \$22.5 million in FY25. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Marijuana Public Health and Safety Fund. Total transfers to the Adult Use Marijuana Public Health and Safety Fund from sales and excise taxes are included in Other Revenue above and are estimated to be \$2.1 million in FY 22; \$3.1 million in FY23; \$3.9 million in FY24 and \$4.8 million in FY25.

2/ Includes revenue from the marijuana excise tax. This forecast assumes gross excise tax revenue of \$7.2 million in FY22; \$11.0 million in FY23; \$14.3 million in FY24 and \$17.9 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 included in Other Revenue above and are estimated to be \$2.1 million in FY 22; \$3.1 million in FY23; \$3.9 million in FY24 and \$4.8 million in FY25.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY21 Budget	FY21 Variance	% Var
<b>Detail of Other Taxes and Fees:</b>												
- Property Tax - Unorganized Territory	13,578,696	14,188,381	4.5%	13,334,138	-6.0%	12,547,461	-5.9%	13,920,825	10.9%	14,713,169	(792,344)	-5.4%
- Real Estate Transfer Tax	17,059,116	15,927,432	-6.6%	19,105,924	20.0%	16,501,776	-13.6%	22,091,539	33.9%	21,655,753	435,786	2.0%
- Liquor Taxes and Fees	23,249,843	23,680,230	1.9%	23,931,346	1.1%	20,854,729	-12.9%	22,871,027	9.7%	22,093,824	777,203	3.5%
- Corporation Fees & Licenses	10,540,087	11,094,542	5.3%	10,759,676	-3.0%	11,777,263	9.5%	15,039,682	27.7%	11,138,649	3,901,033	35.0%
- Telecommunications Excise Tax	6,248,478	6,221,980	-0.4%	6,317,492	1.5%	6,418,268	1.6%	6,724,254	4.8%	6,500,000	224,254	3.5%
- Finance Industry Fees	30,019,796	29,201,565	-2.7%	29,082,500	-0.4%	27,952,210	-3.9%	27,220,420	-2.6%	26,957,740	262,680	1.0%
- Milk Handling Fee	4,613,496	4,916,070	6.6%	4,848,648	-1.4%	1,676,018	-65.4%	3,880,801	131.5%	3,546,767	334,034	9.4%
- Casino and Racino Revenue	8,624,011	8,367,971	-3.0%	8,468,389	1.2%	6,542,913	-22.7%	7,234,295	10.6%	6,744,803	489,492	7.3%
- Boat, ATV and Snowmobile Fees	4,712,468	4,482,839	-4.9%	4,700,071	4.8%	4,970,419	5.8%	5,337,040	7.4%	4,523,561	813,479	18.0%
- Hunting and Fishing License Fees	16,268,782	16,164,837	-0.6%	16,282,770	0.7%	16,514,289	1.4%	18,861,172	14.2%	15,986,716	2,874,456	18.0%
- Other Miscellaneous Taxes and Fees	13,268,468	11,576,892	-12.7%	13,279,816	14.7%	13,389,164	0.8%	14,242,321	6.4%	13,216,225	1,026,096	7.8%
Subtotal - Other Taxes and Fees	148,183,240	145,822,739	-1.6%	150,110,769	2.9%	139,144,510	-7.3%	157,423,377	13.1%	147,077,207	10,346,170	7.0%
<b>Detail of Other Revenue:</b>												
- Liquor Sales and Operations	9,860,579	50,272	-99.5%	56,150	11.7%	55,400	-1.3%	95,910	73.1%	28,500	67,410	236.5%
- Targeted Case Management (HHS)	1,820,831	607,782	-66.6%	246,356	-59.5%	80,953	-67.1%	42,585	-47.4%	83,160	(40,575)	-48.8%
- State Cost Allocation Program	19,459,021	17,229,423	-11.5%	18,291,345	6.2%	24,911,989	36.2%	28,721,621	15.3%	27,891,450	830,171	3.0%
- Unclaimed Property Transfer	5,767,234	6,565,469	13.8%	9,592,815	46.1%	10,830,298	12.9%	14,232,174	31.4%	12,200,000	2,032,174	16.7%
- 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%	(17,076,345)	(0)	0.0%
- Transfer to Maine Milk Pool	(15,233,744)	(15,857,558)	-4.1%	(15,220,840)	4.0%	(9,921,284)	34.8%	(12,438,556)	-25.4%	(12,778,320)	339,764	2.7%
- Transfer to Multimodal Transportation F	(7,908,006)	(8,899,944)	-12.5%	(9,439,886)	-6.1%	(11,138,493)	-18.0%	(9,911,067)	11.0%	(9,911,067)	(0)	0.0%
- Transfer to Adult Use Marijuana PHSF	0	0	N/A	0	N/A	0	N/A	(477,712)	N/A	(2,103,671)	1,625,959	77.3%
- Other Miscellaneous Revenue	25,572,140	21,373,178	-16.4%	27,831,142	30.2%	28,699,082	3.1%	24,197,640	-15.7%	23,325,727	871,913	3.7%
Subtotal - Other Revenue	24,747,389	4,991,864	-79.8%	14,185,246	184.2%	25,367,559	78.8%	27,386,250	8.0%	21,659,434	5,726,815	26.4%
<b>Detail of Transfers to Tax Relief Programs:</b>												
- Maine Resident Property Tax Program	(60,303)	35,130	158.3%	(12,497)	-135.6%	47,546	480.5%	(15,504)	-132.6%	0	(15,504)	N/A
- BETR - Business Equip. Tax Reimb.	(31,511,125)	(29,863,832)	5.2%	(24,913,358)	16.6%	(25,490,793)	-2.3%	(21,961,345)	13.8%	(20,500,000)	(1,461,345)	-7.1%
- BETE - Municipal Bus. Equip. Tax Reim	(32,390,102)	(35,584,483)	-9.9%	(43,161,952)	-21.3%	(49,194,722)	-14.0%	(54,010,670)	-9.8%	(53,962,300)	(48,370)	-0.1%
Subtotal - Tax Relief Transfers	(63,961,530)	(65,413,185)	-2.3%	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,987,519)	-1.8%	(74,462,300)	(1,525,219)	-2.0%
IF&W Total Revenue **	22,015,827	21,596,400	-1.9%	21,933,023	1.6%	22,314,353	1.7%	24,929,478	11.7%	21,355,533	3,573,945	16.7%

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



# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
<b>Detail of Other Taxes and Fees:</b>										
- Property Tax - Unorganized Territory	14,813,169	6.4%	0	14,813,169	6.4%	14,813,169	0.0%	0	14,813,169	0.0%
- Real Estate Transfer Tax	26,407,356	19.5%	2,972,945	29,380,301	33.0%	26,529,753	0.5%	2,945,048	29,474,801	0.3%
- Liquor Taxes and Fees	22,093,824	-3.4%	0	22,093,824	-3.4%	22,093,824	0.0%	0	22,093,824	0.0%
- Corporation Fees & Licenses	10,438,649	-30.6%	675,000	11,113,649	-26.1%	10,438,649	0.0%	575,000	11,013,649	-0.9%
- Telecommunications Excise Tax	6,200,000	-7.8%	0	6,200,000	-7.8%	6,200,000	0.0%	0	6,200,000	0.0%
- Finance Industry Fees	26,916,990	-1.1%	(500,000)	26,416,990	-3.0%	26,916,990	0.0%	(1,000,000)	25,916,990	-1.9%
- Milk Handling Fee	1,251,060	-67.8%	121,660	1,372,720	-64.6%	888,828	-29.0%	215,736	1,104,564	-19.5%
- Casino and Racino Revenue	8,371,040	15.7%	830,258	9,201,298	27.2%	8,568,844	2.4%	35,752	8,604,596	-6.5%
- Boat, ATV and Snowmobile Fees	4,523,561	-15.2%	0	4,523,561	-15.2%	4,559,561	0.8%	0	4,559,561	0.8%
- Hunting and Fishing License Fees	15,991,706	-15.2%	0	15,991,706	-15.2%	15,991,706	0.0%	0	15,991,706	0.0%
- Other Miscellaneous Taxes and Fees	13,095,230	-8.1%	(36,015)	13,059,215	-8.3%	13,246,937	1.2%	(32,675)	13,214,262	1.2%
Subtotal - Other Taxes and Fees	150,102,585	-4.7%	4,063,848	154,166,433	-2.1%	150,248,261	0.1%	2,738,861	152,987,122	-0.8%
<b>Detail of Other Revenue:</b>										
- Liquor Sales and Operations	28,500	-70.3%	0	28,500	-70.3%	28,500	0.0%	0	28,500	0.0%
- Targeted Case Management (HHS)	0	-100.0%	0	0	-100.0%	0	N/A	0	0	N/A
- State Cost Allocation Program	25,918,434	-9.8%	4,589,726	30,508,159	6.2%	26,436,803	2.0%	(1)	26,436,802	-13.3%
- Unclaimed Property Transfer	9,200,000	-35.4%	0	9,200,000	-35.4%	7,700,000	-16.3%	0	7,700,000	-16.3%
- Tourism Transfer	(15,473,162)	9.4%	0	(15,473,162)	9.4%	(21,204,000)	-37.0%	(309,000)	(21,513,000)	-39.0%
- Transfer to Maine Milk Pool	(4,673,418)	62.4%	498,075	(4,175,343)	66.4%	(1,024,423)	78.1%	(381,114)	(1,405,537)	66.3%
- Transfer to Multimodal Transportation Fund	(7,391,785)	25.4%	0	(7,391,785)	25.4%	(14,711,000)	-99.0%	537,000	(14,174,000)	-91.8%
- Transfer to Adult Use Marijuana PHSF	(2,240,766)	-369.1%	121,412	(2,119,354)	-343.6%	(3,629,872)	-62.0%	559,340	(3,070,532)	-44.9%
- Other Miscellaneous Revenue	26,310,850	8.7%	(906,724)	25,404,126	5.0%	25,478,520	-3.2%	(327,092)	25,151,428	-1.0%
Subtotal - Other Revenue	31,678,653	15.7%	4,302,489	35,981,141	31.4%	19,074,528	-39.8%	79,133	19,153,661	-46.8%
<b>Detail of Transfers to Tax Relief Programs:</b>										
- Maine Resident Property Tax Program	0	100.0%	0	0	100.0%	0	N/A	0	0	N/A
- BETR - Business Equip. Tax Reimb.	(19,100,000)	13.0%	0	(19,100,000)	13.0%	(17,800,000)	6.8%	0	(17,800,000)	6.8%
- BETE - Municipal Bus. Equip. Tax Reimb.	(57,050,000)	-5.6%	(1,230,000)	(58,280,000)	-7.9%	(61,900,000)	-8.5%	(1,340,000)	(63,240,000)	-8.5%
Subtotal - Tax Relief Transfers	(76,150,000)	-0.2%	(1,230,000)	(77,380,000)	-1.8%	(79,700,000)	-4.7%	(1,340,000)	(81,040,000)	-4.7%
IF&W Total Revenue **	21,476,288	-13.9%	(3,106)	21,473,182	-13.9%	21,519,719	0.2%	(3,184)	21,516,535	0.2%

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

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
<b>Detail of Other Taxes and Fees:</b>										
- 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	27,056,515	2.0%	3,374,286	30,430,801	3.2%	27,364,820	1.1%	3,980,980	31,345,800	3.0%
- 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	10,438,649	0.0%	575,000	11,013,649	0.0%	10,438,649	0.0%	575,000	11,013,649	0.0%
- Telecommunications Excise Tax	6,200,000	0.0%	0	6,200,000	0.0%	6,200,000	0.0%	0	6,200,000	0.0%
- Finance Industry Fees	26,916,990	0.0%	(1,000,000)	25,916,990	0.0%	26,916,990	0.0%	(1,000,000)	25,916,990	0.0%
- Milk Handling Fee	888,828	0.0%	215,736	1,104,564	0.0%	888,828	0.0%	215,736	1,104,564	0.0%
- Casino and Racino Revenue	8,628,103	0.7%	188,781	8,816,884	2.5%	8,687,778	0.7%	158,618	8,846,396	0.3%
- Boat, ATV and Snowmobile Fees	4,559,561	0.0%	0	4,559,561	0.0%	4,559,561	0.0%	0	4,559,561	0.0%
- Hunting and Fishing License Fees	15,991,706	0.0%	0	15,991,706	0.0%	15,991,706	0.0%	0	15,991,706	0.0%
- Other Miscellaneous Taxes and Fees	12,967,541	-2.1%	(32,709)	12,934,832	-2.1%	12,970,357	0.0%	(32,744)	12,937,613	0.0%
Subtotal - Other Taxes and Fees	150,554,886	0.2%	3,321,094	153,875,980	0.6%	150,925,682	0.2%	3,897,590	154,823,272	0.6%
<b>Detail of Other Revenue:</b>										
- 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)	0	N/A	0	0	N/A	0	N/A	0	0	N/A
- State Cost Allocation Program	26,436,803	0.0%	(1)	26,436,802	0.0%	26,436,803	0.0%	(1)	26,436,802	0.0%
- Unclaimed Property Transfer	6,200,000	-19.5%	0	6,200,000	-19.5%	5,000,000	-19.4%	0	5,000,000	-19.4%
- Tourism Transfer	(22,055,000)	-4.0%	(343,000)	(22,398,000)	-4.1%	(22,842,000)	-3.6%	(355,000)	(23,197,000)	-3.6%
- Transfer to Maine Milk Pool	(2,798,113)	-173.1%	(980,473)	(3,778,586)	-168.8%	(2,796,250)	0.1%	26,545	(2,769,705)	26.7%
- Transfer to Multimodal Transportation Fund	(14,499,000)	1.4%	211,000	(14,288,000)	-0.8%	(14,771,000)	-1.9%	14,000	(14,757,000)	-3.3%
- Transfer to Adult Use Marijuana PHSF	(4,551,628)	-25.4%	682,286	(3,869,342)	-26.0%	(5,639,972)	-23.9%	870,799	(4,769,173)	-23.3%
- Other Miscellaneous Revenue	25,478,585	0.0%	(327,092)	25,151,493	0.0%	25,478,520	0.0%	(327,092)	25,151,428	0.0%
Subtotal - Other Revenue	14,240,147	-25.3%	(757,280)	13,482,867	-29.6%	10,894,601	-23.5%	229,251	11,123,852	-17.5%
<b>Detail of Transfers to Tax Relief Programs:</b>										
- Maine Resident Property Tax Program	0	N/A	0	0	N/A	0	N/A	0	0	N/A
- BETR - Business Equip. Tax Reimb.	(16,650,000)	6.5%	0	(16,650,000)	6.5%	(15,600,000)	6.3%	0	(15,600,000)	6.3%
- BETE - Municipal Bus. Equip. Tax Reimb.	(66,450,000)	-7.4%	(1,440,000)	(67,890,000)	-7.4%	(71,100,000)	-7.0%	(1,540,000)	(72,640,000)	-7.0%
Subtotal - Tax Relief Transfers	(83,100,000)	-4.3%	(1,440,000)	(84,540,000)	-4.3%	(86,700,000)	-4.3%	(1,540,000)	(88,240,000)	-4.4%
IF&W Total Revenue **	21,522,508	0.0%	(3,218)	21,519,290	0.0%	21,525,324	0.0%	(3,253)	21,522,071	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 - MARCH 2022 FORECAST

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY 21 Actual	% Chg.	FY21 Budget	FY21 Variance	% Var.
Fuel Taxes												
- Gasoline Tax	\$201,581,952	206,410,302	2.4%	205,925,094	-0.2%	194,181,501	-5.7%	183,413,666	-5.5%	186,299,525	(2,885,859)	-1.5%
- Special Fuel and Road Use Taxes	\$50,364,054	43,150,896	-14.3%	49,588,218	14.9%	47,413,587	-4.4%	47,862,849	0.9%	46,789,000	1,073,849	2.3%
- Transcap Transfers - Fuel Taxes	(\$18,589,483)	(18,398,369)	1.0%	(18,777,306)	-2.1%	(17,774,919)	5.3%	(17,005,855)	4.3%	(17,137,716)	131,861	0.8%
- Other Fund Gasoline Tax Distributions	(\$5,065,081)	(5,166,427)	-2.0%	(5,149,578)	0.3%	(4,849,535)	5.8%	(4,599,935)	5.1%	(4,666,041)	66,106	1.4%
Subtotal - Fuel Taxes	\$228,291,442	225,996,401	-1.0%	231,586,428	2.5%	218,970,635	-5.4%	209,670,726	-4.2%	211,284,768	(1,614,042)	-0.8%
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%	75,801,035	16.7%	71,868,632	3,932,403	5.5%
- License Plate Fees	\$3,709,500	3,747,816	1.0%	3,861,249	3.0%	3,829,530	-0.8%	4,047,896	5.7%	3,817,643	230,253	6.0%
- Long-term Trailer Registration Fees	\$11,768,669	13,279,792	12.8%	15,134,872	14.0%	14,186,866	-6.3%	15,281,749	7.7%	12,384,523	2,897,226	23.4%
- Title Fees	\$14,298,502	14,526,092	1.6%	15,181,423	4.5%	14,523,225	-4.3%	16,861,221	16.1%	15,525,795	1,335,426	8.6%
- Motor Vehicle Operator License Fees	\$8,956,575	8,752,147	-2.3%	9,521,698	8.8%	8,646,784	-9.2%	11,177,496	29.3%	10,107,411	1,070,085	10.6%
- Transcap Transfers - Motor Vehicle Fees	(\$16,101,245)	(16,191,340)	-0.6%	(16,384,440)	-1.2%	(15,507,585)	5.4%	(17,849,524)	-15.1%	(17,453,983)	(395,541)	-2.3%
Subtotal - Motor Vehicle Reg. & Fees	\$90,977,518	92,774,864	2.0%	96,930,631	4.5%	90,648,098	-6.5%	105,319,873	16.2%	96,250,021	9,069,852	9.4%
Motor Vehicle Inspection Fees	\$3,410,700	3,373,100	-1.1%	3,324,510	-1.4%	3,120,970	-6.1%	3,098,522	-0.7%	2,753,228	345,294	12.5%
Other Highway Fund Taxes and Fees	\$1,378,535	1,490,993	8.2%	1,508,539	1.2%	1,280,909	-15.1%	1,629,051	27.2%	1,367,454	261,597	19.1%
Fines, Forfeits and Penalties	\$719,555	724,478	0.7%	610,373	-15.7%	899,735	47.4%	1,248,923	38.8%	426,101	822,822	193.1%
Income from Investments	\$348,432	326,847	-6.2%	893,027	173.2%	257,790	-71.1%	305,414	18.5%	261,450	43,964	16.8%
Other Highway Fund Revenues	\$9,191,942	10,943,111	19.1%	11,640,306	6.4%	11,998,433	3.1%	12,730,378	6.1%	12,100,331	630,047	5.2%
<b>Total - Highway Fund Revenue</b>	<b>\$334,318,123</b>	<b>335,629,795</b>	<b>0.4%</b>	<b>346,493,814</b>	<b>3.2%</b>	<b>327,176,570</b>	<b>-5.6%</b>	<b>334,002,888</b>	<b>2.1%</b>	<b>324,443,353</b>	<b>9,559,535</b>	<b>2.9%</b>

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	200,950,000	9.6%	(2,300,000)	198,650,000	8.3%	206,453,000	2.7%	(2,358,000)	204,095,000	2.7%
- Special Fuel and Road Use Taxes	46,898,200	-2.0%	2,341,800	49,240,000	2.9%	47,730,673	1.8%	2,354,327	50,085,000	1.7%
- Transcap Transfers - Fuel Taxes	(18,211,728)	-7.1%	(7,449)	(18,219,177)	-7.1%	(18,676,567)	-2.6%	(4,148)	(18,680,715)	-2.5%
- Other Fund Gasoline Tax Distributions	(5,025,156)	-9.2%	57,517	(4,967,639)	-8.0%	(5,162,768)	-2.7%	58,966	(5,103,802)	-2.7%
Subtotal - Fuel Taxes	224,611,316	7.1%	91,868	224,703,184	7.2%	230,344,338	2.6%	51,145	230,395,483	2.5%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,162,203	-8.8%	0	69,162,203	-8.8%	69,162,203	0.0%	0	69,162,203	0.0%
- License Plate Fees	3,652,523	-9.8%	0	3,652,523	-9.8%	3,661,097	0.2%	0	3,661,097	0.2%
- Long-term Trailer Registration Fees	11,384,523	-25.5%	750,000	12,134,523	-20.6%	11,384,523	0.0%	750,000	12,134,523	0.0%
- Title Fees	14,325,795	-15.0%	0	14,325,795	-15.0%	14,325,795	0.0%	0	14,325,795	0.0%
- Motor Vehicle Operator License Fees	10,191,878	-8.8%	100,000	10,291,878	-7.9%	9,560,348	-6.2%	(150,000)	9,410,348	-8.6%
- Transcap Transfers - Motor Vehicle Fees	(16,518,054)	7.5%	0	(16,518,054)	7.5%	(16,518,054)	0.0%	0	(16,518,054)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	92,198,868	-12.5%	850,000	93,048,868	-11.7%	91,575,912	-0.7%	600,000	92,175,912	-0.9%
Motor Vehicle Inspection Fees	3,015,291	-2.7%	0	3,015,291	-2.7%	3,202,500	6.2%	0	3,202,500	6.2%
Other Highway Fund Taxes and Fees	1,267,454	-22.2%	150,000	1,417,454	-13.0%	1,267,454	0.0%	0	1,267,454	-10.6%
Fines, Forfeits and Penalties	606,412	-51.4%	0	606,412	-51.4%	606,412	0.0%	0	606,412	0.0%
Income from Investments	146,248	-52.1%	22,371	168,619	-44.8%	88,209	-39.7%	132,960	221,169	31.2%
Other Highway Fund Revenues	12,908,725	1.4%	323,121	13,231,846	3.9%	11,304,465	-12.4%	0	11,304,465	-14.6%
<b>Total - Highway Fund Revenue</b>	<b>334,754,314</b>	<b>0.2%</b>	<b>1,437,360</b>	<b>336,191,674</b>	<b>0.7%</b>	<b>338,389,290</b>	<b>1.1%</b>	<b>784,105</b>	<b>339,173,395</b>	<b>0.9%</b>
<b>Change in Biennial Totals</b>								<b>2,221,465</b>		

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	208,518,000	1.0%	(2,383,000)	206,135,000	1.0%	210,603,770	1.0%	(2,408,770)	208,195,000	1.0%
- Special Fuel and Road Use Taxes	48,293,980	1.2%	2,376,020	50,670,000	1.2%	48,862,920	1.2%	2,397,080	51,260,000	1.2%
- Transcap Transfers - Fuel Taxes	(18,869,818)	-1.0%	(3,946)	(18,873,764)	-1.0%	(19,065,009)	-1.0%	(3,641)	(19,068,650)	-1.0%
- Other Fund Gasoline Tax Distributions	(5,214,409)	-1.0%	59,591	(5,154,818)	-1.0%	(5,266,569)	-1.0%	60,237	(5,206,332)	-1.0%
Subtotal - Fuel Taxes	232,727,753	1.0%	48,665	232,776,418	1.0%	235,135,112	1.0%	44,906	235,180,018	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	3,662,986	0.1%	0	3,662,986	0.1%	3,664,608	0.0%	0	3,664,608	0.0%
- Long-term Trailer Registration Fees	11,384,523	0.0%	750,000	12,134,523	0.0%	11,384,523	0.0%	750,000	12,134,523	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	9,560,348	0.0%	(150,000)	9,410,348	0.0%	9,560,348	0.0%	(150,000)	9,410,348	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	91,577,801	0.0%	600,000	92,177,801	0.0%	91,579,423	0.0%	600,000	92,179,423	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	171,464	94.4%	153,978	325,442	47.1%	209,470	22.2%	132,047	341,517	4.9%
Other Highway Fund Revenues	11,304,465	0.0%	0	11,304,465	0.0%	11,304,465	0.0%	0	11,304,465	0.0%
<b>Total - Highway Fund Revenue</b>	<b>340,857,849</b>	<b>0.7%</b>	<b>802,643</b>	<b>341,660,492</b>	<b>0.7%</b>	<b>343,304,836</b>	<b>0.7%</b>	<b>776,953</b>	<b>344,081,789</b>	<b>0.7%</b>
<b>Change in Biennial Totals</b>								<b>1,579,596</b>		



## **Appendix C**

# **Fund for a Healthy Maine Summary** **Table**

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT PAYMENTS)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST**

Source	FY17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY21 Budget	FY 21 Variance	% Var.
Tobacco Settlement Payments:												
- Base Payments	42,587,291	46,658,590	9.6%	45,465,742	-2.6%	46,272,664	1.8%	48,584,349	5.0%	48,584,349	0	0.0%
- 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%	48,584,349	5.0%	48,584,349	0	0.0%
Casino Revenue ***	3,797,297	3,680,035	-3.1%	3,640,004	-1.09%	2,773,875	-23.79%	3,376,375	21.7%	3,200,177	176,198	5.5%
Income from Investments	49,454	146,419	196.1%	583,469	298.5%	496,816	-14.9%	115,798	-76.7%	117,238	(1,440)	-1.2%
Other Adjustments ****	0	0	N/A	0	N/A	0	N/A	(994,035)	N/A	0	(994,035)	N/A
<b>Total - FHM Revenue</b>	<b>55,228,128</b>	<b>71,727,375</b>	<b>29.9%</b>	<b>82,178,042</b>	<b>14.6%</b>	<b>49,543,354</b>	<b>-39.7%</b>	<b>51,082,487</b>	<b>3.1%</b>	<b>51,901,764</b>	<b>(819,277)</b>	<b>-1.6%</b>

\* 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.

\*\*\*\* Adjustments for prior year balances forward and audit settlements



**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT PAYMENTS)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST**

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	41,722,218	-14.1%	1,000,000	42,722,218	-12.1%	43,971,707	5.4%	1,000,000	44,971,707	5.3%
- 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	41,722,218	-14.1%	1,000,000	42,722,218	-12.1%	43,971,707	5.4%	1,000,000	44,971,707	5.3%
Casino Revenue ***	3,607,923	6.9%	356,242	3,964,165	17.4%	3,669,038	1.7%	55,827	3,724,865	-6.0%
Income from Investments	100,629	-13.1%	37,382	138,011	19.2%	67,373	-33.0%	133,841	201,214	45.8%
Other Adjustments ****	0	100.0%	0	0	100.0%	0	N/A	0	0	N/A
<b>Total - FHM Revenue</b>	<b>45,430,770</b>	<b>-11.1%</b>	<b>1,393,624</b>	<b>46,824,394</b>	<b>-8.3%</b>	<b>47,708,118</b>	<b>5.0%</b>	<b>1,189,668</b>	<b>48,897,786</b>	<b>4.4%</b>
<b>Change in Biennial Totals</b>								<b>2,583,292</b>		

\* 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.

\*\*\*\* Adjustments for prior year balances forward and audit settlements

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT PAYMENTS)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST**

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	31,106,373	-29.3%	1,000,000	32,106,373	-28.6%	31,106,373	0.0%	1,000,000	32,106,373	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	31,106,373	-29.3%	1,000,000	32,106,373	-28.6%	31,106,373	0.0%	1,000,000	32,106,373	0.0%
Casino Revenue ***	3,696,556	0.8%	150,751	3,847,307	3.3%	3,724,280	0.7%	126,874	3,851,154	0.1%
Income from Investments	118,992	76.6%	19,819	138,811	-31.0%	127,681	7.3%	15,612	143,293	3.2%
Other Adjustments ****	0	N/A	0	0	N/A	0	N/A	0	0	N/A
<b>Total - FHM Revenue</b>	<b>34,921,921</b>	<b>-26.8%</b>	<b>1,170,570</b>	<b>36,092,491</b>	<b>-26.2%</b>	<b>34,958,334</b>	<b>0.1%</b>	<b>1,142,486</b>	<b>36,100,820</b>	<b>0.0%</b>
<b>Change in Biennial Totals</b>								<b>2,313,055</b>		

\* 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.

\*\*\*\* Adjustments for prior year balances forward and audit settlements



## **Appendix D**

# **Medicaid/MaineCare Dedicated Revenue Taxes Summary Table**

## MEDICAID/MAINECARE DEDICATED REVENUE TAXES

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY 17 Actual	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY21 Budget	FY21 Variance	% Var
Nursing Facility Tax	36,162,788	33,755,577	-6.7%	34,999,161	3.7%	43,432,833	24.1%	38,214,675	-12.0%	40,863,804	(2,649,129)	-6.5%
Residential Treatment Facility (ICFs/MR) Tax	1,939,129	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,392,205	145,755	6.1%
Hospital Tax *	95,028,525	103,355,698	8.8%	102,503,718	-0.8%	115,464,903	12.6%	115,888,153	0.4%	115,888,162	(9)	0.0%
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%	51,580,615	-2.7%	52,250,796	(670,181)	-1.3%
<b>Total - Health Care Provider Taxes</b>	<b>176,841,205</b>	<b>185,149,775</b>	<b>4.7%</b>	<b>189,983,107</b>	<b>2.6%</b>	<b>214,138,364</b>	<b>12.7%</b>	<b>208,221,403</b>	<b>-2.8%</b>	<b>211,394,967</b>	<b>(3,173,564)</b>	<b>-1.5%</b>

\* 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; in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20 and again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22.

## MEDICAID/MAINECARE DEDICATED REVENUE TAXES

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY22 Budget	% Chg.	Recom. Chg.	FY22 Revised	% Chg.	FY23 Budget	% Chg.	Recom. Chg.	FY23 Revised	% Chg.
Nursing Facility Tax	41,221,877	7.9%	(2,000,000)	39,221,877	2.6%	43,144,150	4.7%	0	43,144,150	10.0%
Residential Treatment Facility (ICFs/MR) Tax	2,522,756	-0.6%	0	2,522,756	-0.6%	495,756	-80.3%	0	495,756	-80.3%
Hospital Tax *	127,706,538	10.2%	0	127,706,538	10.2%	127,706,538	0.0%	0	127,706,538	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	54,239,622	5.2%	(1,222,639)	53,016,983	2.8%	59,717,846	10.1%	0	59,717,846	12.6%
<b>Total - Health Care Provider Taxes</b>	<b>225,690,793</b>	<b>8.4%</b>	<b>(3,222,639)</b>	<b>222,468,154</b>	<b>6.8%</b>	<b>231,064,290</b>	<b>2.4%</b>	<b>0</b>	<b>231,064,290</b>	<b>3.9%</b>
<b>Change in Biennial Totals</b>								<b>(3,222,639)</b>		

\* 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; in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20 and again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22.

## MEDICAID/MAINECARE DEDICATED REVENUE TAXES

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2022 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Budget	% Chg.
Nursing Facility Tax	43,144,150	0.0%	0	43,144,150	0.0%	43,144,150	0.0%	0	43,144,150	0.0%
Residential Treatment Facility (ICFs/MR) Tax	495,756	0.0%	0	495,756	0.0%	495,756	0.0%	0	495,756	0.0%
Hospital Tax *	127,706,538	0.0%	0	127,706,538	0.0%	127,706,538	0.0%	0	127,706,538	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	59,717,846	0.0%	0	59,717,846	0.0%	59,717,846	0.0%	0	59,717,846	0.0%
<b>Total - Health Care Provider Taxes</b>	<b>231,064,290</b>	<b>0.0%</b>	<b>0</b>	<b>231,064,290</b>	<b>0.0%</b>	<b>231,064,290</b>	<b>0.0%</b>	<b>0</b>	<b>231,064,290</b>	<b>0.0%</b>
<b>Change in Biennial Totals</b>								<b>0</b>		

\* 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; in PL 2019, c.343 to hospital fiscal years ending during calendar year 2016 beginning in FY 20 and again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22.



## **Appendix E**

# **Consensus Economic Forecasting** **Commission Report**

**February 1, 2022**

**Report of the  
CONSENSUS ECONOMIC FORECASTING COMMISSION  
February 1, 2022**

**Commissioners**

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

Dr. Andrew Crawley  
*Assistant Professor and Co-Director Maine EDA University Center  
School of Economics, University of Maine*

Dr. Chuck Lawton

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

Sarah Austin  
*Director of Policy and Research  
Maine Center for Economic Policy*



## Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened January 28, 2022, to review and revise its forecast through 2025 and additionally forecast through 2027. This meeting builds on the Commission's forecast update of November 1, 2021, incorporating the most recent data available for all relevant baseline data. This report provides a summary of the Commission's findings.

The CEFC sees inflation, especially in energy prices; geopolitical upheaval; interest rate increases; and uncertainty pertaining to the ongoing pandemic and future variants as key risks in the near-term forecast. In addition, the Commission noted two striking facts drawn from 2021 data:

1. Maine's net domestic migration rate was first in New England and sixth in the U.S. and
2. Maine's actual growth in wage and salary income and in total personal income through the first three quarters of 2021 exceeded by a substantial margin the Commission's **full-year** forecast for both variables.

The implication of these facts as well as careful examination of Census survey data and much anecdotal information is that migration to Maine – whether from actual moves or remote work opportunities generated by the pandemic – seemed to be a significant factor in driving employment and income growth in Maine.

While the Commission continues to be optimistic about increased in-migration to Maine, it recognizes that demographic inequalities and uneven access to high-speed internet across the state will limit the range of increased in-migration and thus limit its impact on employment and income growth. Economic improvements will also likely see regional variations due to several factors, including public health conditions and uneven real estate market impacts from increasing interest rates and housing prices.

Based on information from the Maine Department of Labor, the CEFC expects an upward revision to employment for 2020 of around 2,000 jobs; this is not currently reflected in the numbers and if the revisions occurs as expected, will increase employment levels throughout the forecast years by around 2,000. Total nonfarm employment is forecast to increase by 3.7% in 2021 following an expected upward revision during the benchmarking process, 1.8% in 2022, 1.0% in 2023, 0.4% in 2024, and 0.2% in 2025 before leveling out in 2026 and 2027. The revised forecast anticipates employment will return to pre-pandemic levels between 2023 and 2024 and continue growing to 639.5 thousand (around 641 thousand once 2020 revisions are accounted for) in 2025 before leveling off. This reflects downward revisions in 2022, 2024, and 2025 as the state's demographics weigh against continued migration into the state.

The forecast for total personal income growth was revised up from 5.2% to 6.5% in 2021, from 0.5% to 1.7% in 2022, from 4.6% to 5.0% in 2023, and from 4.8% to 4.9% in 2024, with 2025 left unchanged at 4.6% and 2026 and 2027 forecast at 4.6% and 4.5%, respectively. This revision accounts for stronger growth in wages and salaries and supplements to wages and salaries in 2021-2023.

Growth in wages and salaries, the largest component of personal income, was revised up from 5.5% to 7.7% in 2021, from 5.0% to 6.5% in 2022, from 5.0% to 5.5% in 2023, and left unchanged at 5.0% in 2024 and 4.0% in 2025 with 2026 and 2027 forecast at 4.3% each. Growth in supplements to wages and salaries was revised up from 4.7% to 5.5% in 2021, from 4.0% to 6.5% in 2022, from 4.0% to 5.5% in 2023, and from 4.0% to 5.0% in 2024, with 2025 left unchanged at 4.0% and 2026 and 2027 forecast at 4.3%. This recognizes a shift with growth in supplements to wages and salaries tracking more closely with wage and salary growth.

Nonfarm proprietors' income was revised up from 5.5% to 10.0% in 2021 and from 6.5% to 8.5% in 2022. The forecasts for 2023-2025 were left unchanged, with 2026 forecast at 4.5% and 2027 forecast at 3.7%. The forecast for growth in dividends, interest, and rent was left unchanged for all years, with 2026 forecast at 5.1% and 2027 forecast at 5.0%. Growth in personal current transfer receipts was also left unchanged for all years, with 2026 and 2027 both forecast at 4.9%.

Growth in the Consumer Price Index (CPI) came in at 4.7% for 2021, up from the CEFC's forecast of 4.4%. The CEFC revised its forecast up from 3.5% to 5.0% in 2022, from 2.1% to 4.0% in 2023, and from 2.1% to 2.5% in 2024 and 2025, with 2026 and 2027 also forecast at 2.5%. The higher energy prices, increased demand, and supply constraints that have recently led to increased inflation are expected to continue through 2022 and into 2023 before abating.

Finally, the forecast for corporate profits was revised up from 30.0% to 45.0% in 2021 to reflect year-to-date information on revenues from corporate income taxes. The forecasts for 2022 and 2023 were also revised up, from 2.0% in 2022 and 3.0% in 2023 to 4.0% in both years. 2024 and 2025 were left unchanged at 6.0%, with 2026 and 2027 also forecast at 6.0%.

The following table provides the forecast's major indicators along with a comparison to the previous forecast and the final pre-pandemic forecast.

Calendar Years	2020	2021	2022	2023	2024	2025	2026	2027
<b>Wage &amp; Salary Employment (Annual Percentage Change)</b>								
CEFC Forecast 02/2020	0.5	0.2	0.1	0.0	0.0	0.0		
CEFC Forecast 11/2021	-6.4	3.7	2.3	1.0	0.7	0.7		
CEFC Forecast 02/2022	-6.4	3.7	1.8	1.0	0.4	0.2	0.0	0.0
<b>Personal Income (Annual Percentage Change)</b>								
CEFC Forecast 02/2020	4.1	4.0	3.7	3.5	3.5	3.5		
CEFC Forecast 11/2021	7.9	5.2	0.5	4.6	4.8	4.6		
CEFC Forecast 02/2022	7.9	6.5	1.7	5.0	4.9	4.6	4.6	4.5
<b>Wage and Salary Income (Annual Percentage Change)</b>								
CEFC Forecast 02/2020	4.1	3.7	3.4	3.2	3.2	3.2		
CEFC Forecast 11/2021	2.9	5.5	5.0	5.0	5.0	4.0		
CEFC Forecast 02/2022	2.9	7.7	6.5	5.5	5.0	4.0	4.3	4.3
<b>CPI (Annual Percentage Change)</b>								
CEFC Forecast 02/2020	1.9	2.0	2.0	2.0	2.0	2.0		
CEFC Forecast 11/2021	1.2	4.4	3.5	2.1	2.1	2.1		
CEFC Forecast 02/2022	1.2	4.7	5.0	4.0	2.5	2.5	2.5	2.5

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

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

Maine had a strong year of population growth in 2021, gaining just under 10,000 in population. Net domestic migration fueled Maine's growth as the state had the seventh highest domestic migration rate in the U.S. and the highest in New England.

Total personal income grew by 0.8 percent in the third quarter of 2021, following a 24.9 percent decrease in the second quarter. The decline was driven by a drop in transfer receipts as provisions of the American Rescue Plan Act phased out. Wage and salary income, which is the largest component of personal income, grew by 9.8 percent. Gross Domestic Product rose 1.7 percent at an annual rate in the third quarter of 2021. The Consumer Price Index continues to show rising prices, up 7.0 percent year-over-year in December and closing 2021 with an average of 4.7 percent growth in prices. Meanwhile, the chained PCE price index was up 5.7 percent in November.

Nationwide, consumer sentiment has continued to fall as supply chains remain strained and COVID-19 infections are high following the surge in the Omicron variant. The December 2021 consumer sentiment index was down 12.5 percent compared to a year prior, while the Small Business Optimism Index was up 3.1 percent.

Energy prices have spiked through the end of 2021 into early 2022. Gasoline prices were \$3.42 per gallon on January 17, 2022, while heating oil has reached an 8-year high price of \$3.337 per gallon.

Single family existing-home sales in 2021 ended the year up 2.1 percent over 2020 while the median sale price soared to \$299,000, almost 17 percent higher than in 2020. Maine's House Price Index rose 24.5 percent in the third quarter of 2021 over a year prior, higher than both New England and the United States and reaching a series high for the fourth quarter consecutively.

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

## **Maine Department of Labor, Center for Workforce Research and Information**

Nonfarm payroll jobs increased to 616,300 in December 2021. This was the highest number of jobs since July and the second highest total in 21 months. Overall, the state gained 15,100 jobs throughout 2021, mostly occurring in the first three months of the year. In December there were 3.7 percent fewer jobs than in February 2020, before the virus impacted the labor market. Of the pandemic-era net decrease in jobs, 49 percent has been in the leisure and hospitality sector, mostly in restaurants and bars; 27 percent in state and local governments, mostly in schools; and 21 percent in healthcare and social assistance, mostly in social assistance and nursing and residential care facilities. U.S. unemployment has steadily decreased during the recovery, reaching 3.9 percent in December. In Maine, unemployment was little changed in 2021, finishing the year at 4.7 percent. The unemployment rate in December was 1.6 percentage points higher than in February 2020.

The robust jobs recovery has led to the reemergence of tight labor market conditions. These conditions are creating an environment in which employers must compete to attract and retain workers. Job openings nationally and in Maine reached record high levels in the summer of 2021. These conditions have led to strong gains in total wages paid, with wages rising much faster than jobs. As vaccines became widely available in the spring and many increased spending on travel, at restaurants and bars, at concerts and sporting events, employers sought to quickly increase their staffing levels. However, the speed at which the economic recovery has unfolded, while leading many employers to try to hire quickly, has not been met with a rebound in labor supply of equal magnitude.

While unemployment remains elevated, the primary factor preventing further jobs recovery has been lower labor force participation, which decreased drastically when the pandemic first began to affect the labor market. Though labor force participation has increased since the spring of 2020, participation remains about 4 percent lower and the labor force has contracted by 22,000 compared to just before the pandemic.

The decrease in labor force participation has been uneven across demographic groups. The reduction in labor force participation has been greater and persisted longer among those age 55 and older. Among the younger working age population (ages 16-54), job loss and lower labor force participation have disproportionately impacted women, particularly those between the ages of 25-44 who are most likely to have young children and to be affected by school and childcare disruptions.

The primary reasons for continued lower participation among the older population are concerns about getting or spreading the coronavirus and retirement. Nationally, the labor force participation rate remains 4.5 percent lower among the population age 55 or older compared to before the pandemic. While an aging cohort of baby boomers were nearing retirement independent of the pandemic, accelerated retirement occurring during the pandemic could account for [2.4 million of the 4.2 million people who left the labor force](#) nationally (from the beginning of the pandemic to the second quarter of 2021). These retirement decisions may not be permanent and may have been hastened by public health or economic circumstances. High asset prices, a hot housing market, and economic stimulus may have enabled some to retire sooner than they planned. Improvements in public health may encourage some to re-enter the workforce in the future.

The primary reasons for continued lower participation among the younger working age population (ages 16-54) are concerns about getting or spreading the coronavirus and an increased care burden that has disproportionately fallen on women. This increased care burden is due to disruptions in schools and to the availability or cost of childcare.

This presentation is available at [https://www.maine.gov/labor/cwri/publications/pdf/CEFC\\_January\\_2022.pdf](https://www.maine.gov/labor/cwri/publications/pdf/CEFC_January_2022.pdf).

### **Maine Revenue Services - Office of Tax Policy (OTP)**

In its December 2021 update, the Revenue Forecasting Committee (RFC) revised General Fund revenue forecasts upward by \$822.2 million for the fiscal year (FY)22/23 biennium, an increase of 9.7 percent over the previous forecast. After increasing by 13.9 percent in FY21, the forecasted rate of year-over-year growth for General Fund revenue in FY22 is now 2.3 percent, followed by growth of 1.8 percent for FY23. In addition, Highway Fund revenues were increased by \$4.0 million for FY22 and by \$1.9 million for FY23 for a total increase of \$5.9 million (0.9 percent) for the FY22/23 biennium. The forecasted rate of year-over-year growth for Highway Fund revenue for FY22 is 0.2 percent and for FY23 is 1.1 percent.

Almost all the FY22 and FY23 net increases are attributable to the sales and use and individual income tax revenue lines. In the case of the sales and use tax, the \$209.0 million upward adjustment in FY22 reflects a positive variance of \$92.5 million through October and preliminary November receipts that pointed to a monthly positive variance of approximately \$20 million. While the sales tax forecast assumes year-over-year growth will slow starting in calendar year 2022, the CEFC's economic forecast estimates Maine households will experience income growth capable of sustaining the current level of

spending on taxable goods and services. Most (55-60 percent) of the annual adjustments are from higher levels of the non-auto related portion of the sales tax base taxed at the general rate of 5.5 percent; in other words, taxable durable and nondurable goods. Lodging and prepared foods represent most of the remaining annual increases. After FY22, annual sales tax growth is forecasted to be between 2.7 and 3.1 percent, reflecting higher inflation and a gradual shift back to in-person non-taxable services as consumers adjust their mix of spending to where it was pre-pandemic. December sales and use tax receipts exceeded budget by \$7.6 million (5.3 percent). Year-over-year growth in December was 18.6 percent, better than the 12.9 percent budgeted, but down from the average growth of 23 percent during the first 5 months of the fiscal year.

Changes to the General Fund individual income tax were primarily the result of the 2020 tax year being stronger than previously forecasted, revenue performance through the first 10 months of tax year 2021 indicating that tax year 2021 will grow by more than previously forecasted, and more optimistic assumptions of wage and salary growth over the remainder of the forecast period. The November CEFC forecast assumed that wages and salaries will increase 5.5 percent during calendar year (CY)21, 5.0 percent per year for the CY22-CY24 period, and 4.0 percent in CY25. The wages and salaries forecast results in an increase in forecasted individual income tax liability of \$39 million in tax year 2021, \$60 million in tax year 2022, \$84 million in tax year 2023, and approximately \$110 million in tax years 2024 and 2025. Stronger growth in capital gains realizations increases 2021 tax liability by \$64 million but has limited impact relative to the May forecast after 2021 as projected decreases in capital gains realizations eventually reduces tax liability. The revenue increase in FY22 is larger than the later years partly because of timing in receipts. The new forecast assumes some shifting of income into tax year 2021 and out of future tax years to avoid potential tax increases at the federal level. This behavior by high-income taxpayers will boost FY22 revenues at the expense of future fiscal years. December individual income tax receipts were over budget by \$38.3 million (26.1 percent). The monthly variance was primarily from withholding receipts being well above budget. Withholding growth during the first half of fiscal year 2022 is 12.1 percent.

The corporate income tax line has been growing at unusually high year-over-year rates for the last 18 months. Last fiscal year corporate income tax receipts increased by 31.5 percent, and through the first six month of this fiscal year they have increased by 62.0 percent. Other states with a corporate income tax structure like ours and the federal government have experienced similar growth rates. In the latest revenue forecast the RFC increased the corporate income tax forecast by \$70 million in the FY22/23 biennium and by \$101.5 million in the FY24/25 biennium. Until more detailed information provided on income tax returns is received and analyzed, we can only postulate why corporate income tax revenues have been so high. Three possible explanations that have been discussed are: (1) corporate profits, particularly for larger companies, are much stronger than previously estimated, (2) the unique aspects of the pandemic economy have interacted with key provisions of the 2017 federal tax reform act (TCJA) to increase revenue, and (3) corporations in reaction to tax changes being discussed in Congress are shifting income into 2021 to avoid potential future tax increases.

Relative to the December 1, 2021, RFC forecast, General Fund revenues are \$90.4 million (3.8 percent) over budget through December. Compared to the same 6-month period last fiscal year, General Fund revenues are 20.3 percent higher. Early indications are that January receipts will exceed budget as well, but not by as much as December.

## Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics and IHS Markit baseline scenarios for January 2022. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 2021 forecast. In addition, the CEFC reviewed its assumptions for the previous forecast and made changes reflecting additional information and shifting concerns. The key assumptions made by the CEFC are as follows:

- With economic recovery underway, concerns remain that this recovery is uneven across different sectors, demographic/socioeconomic groups, and amongst Maine counties.
- New COVID-19 variants and sub-variants continue to be of concern. Regional variations across the state in public health conditions could contribute to an uneven recovery as areas with higher vaccination rates will rebound faster than areas with lower vaccination rates. The lack of vaccines for children under age 5 has been causing particular challenges not only for the families directly affected but for the employers of those parents.
- Federal stimulus and prolonged low interest rates have boosted consumption and aided in the economic recovery; poverty rates in 2020 were reduced through Federal stimulus and the successful deployment of economic assistance programs. Additional federal spending through the Build Back Better reconciliation bill is still uncertain at this time and interest rates will begin increasing soon.
- Structural changes in the economy are occurring as the demand for labor differs from the supply and its longer term impact is yet to be determined. 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; larger employers are increasingly providing childcare benefits. Workers age 55 and up may have decided to retire early due to the pandemic, which would contribute to the current reduced labor force.
- The healthcare system in Maine has been under tremendous stress during the pandemic and those strains are likely to continue for the near term with implications for the workforce and patients accessing care.
- 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, the supply of housing is extremely limited and may be a constraint both on continued home sales growth and the availability of workforce housing. Rising interest rates may slow demand for real estate in some parts of the state, although the hottest markets may not be affected, contributing to increased variation in regional economies. Higher home prices may also flow through to higher rental prices. On the commercial real estate front, office space is seeing uncertainty as hybrid work plans and staffing are being finalized; industrial space has been in very high demand; retail space was hit hardest by the pandemic, but the robust summer tourism season helped.
- The availability of high-speed internet and mobile phone coverage will be an important equalizer between urban and rural areas and could contribute to the diffusion of migration across the state. The creation of the Maine Connectivity Authority and infusion of federal funding will help the successful buildout of high-speed internet.
- 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. Continued interest in outdoor activities could lead to a strong winter sports season, providing a boost to rural areas. Pent-up demand for services as well as supply chain issues may lead to a substitution away from purchases of goods.

- Inflation expectations have increased considerably in recent months and are much higher than what the Federal Reserve Bank previously expected; there is a risk of continued inflation throughout 2022 and into 2023, with higher oil prices posing a particular risk for consumers in Maine where heating oil and gasoline are heavily relied on. Higher gasoline prices could also have an impact on the summer tourism season. Interest rates will begin increasing in March 2022, with a total of 4 to 6 increases expected over the year.
- Geopolitical tensions have increased recently and could have a negative effect on the forecast.

### **Consensus Forecast**

Based on information from the Maine Department of Labor, the CEFC expects an upward revision to employment for 2020 of around 2,000 jobs; this is not currently reflected in the numbers and if the revision occurs as expected, will increase employment levels throughout the forecast years by around 2,000. Total nonfarm employment is forecast to increase by 3.7% in 2021 following an upward revision during the benchmarking process, 1.8% in 2022, 1.0% in 2023, 0.4% in 2024, and 0.2% in 2025 before leveling out in 2026 and 2027. The revised forecast anticipates employment will return to pre-pandemic levels between 2023 and 2024 and continue growing to 639.5 thousand (around 641 thousand once 2020 revisions are accounted for) in 2025 before leveling off. This forecast reflects downward revisions in 2022, 2024, and 2025 as the state's demographics weigh against continued migration into the state.

While the CEFC sees increased migration into Maine continuing, the aging of the workforce and early pandemic-related retirements of workers age 55 and up will make it difficult to sustain robust employment growth in the coming years. The CEFC remains optimistic that other factors, such as the return of K-12 school and childcare accessibility and a growing willingness by employers both to train potential workers who may not currently possess the experience and skills they have transitionally expected and to be increasingly flexible in work hours and locations will aid in employment growth in coming years. The CEFC continues to monitor structural changes that may impact the long-term trajectory of employment, in-migration, and labor force participation trends.

The forecast for total personal income growth was revised up from 5.2% to 6.5% in 2021, from 0.5% to 1.7% in 2022, from 4.6% to 5.0% in 2023, and from 4.8% to 4.9% in 2024, with 2025 left unchanged at 4.6% and 2026 and 2027 forecast at 4.6% and 4.5%, respectively. This revision accounts for stronger growth in wages and salaries and supplements to wages and salaries in 2021-2023.

Growth in wages and salaries, the largest component of personal income, was revised up from 5.5% to 7.7% in 2021, from 5.0% to 6.5% in 2022, from 5.0% to 5.5% in 2023, and left unchanged at 5.0% in 2024 and 4.0% in 2025 with 2026 and 2027 forecast at 4.3% each. Growth in supplements to wages and salaries was revised up from 4.7% to 5.5% in 2021, from 4.0% to 6.5% in 2022, from 4.0% to 5.5% in 2023, and from 4.0% to 5.0% in 2024, with 2025 left unchanged at 4.0% and 2026 and 2027 forecast at 4.3%. This recognizes a shift with growth in supplements to wages and salaries tracking more closely with wage and salary growth.

Nonfarm proprietors' income was revised up from 5.5% to 10.0% in 2021 and from 6.5% to 8.5% in 2022. The forecasts for 2023-2025 were left unchanged, with 2026 forecast at 4.5% and 2027 forecast at 3.7%. The forecast for growth in dividends, interest, and rent was left unchanged for all years, with 2026 forecast at 5.1% and 2027 forecast at 5.0%. Growth in personal current transfer receipts was also left unchanged for all years, with 2026 and 2027 both forecast at 4.9%.

Growth in the Consumer Price Index (CPI) came in at 4.7% for 2021, up from the CEFC's forecast of 4.4%. The CEFC revised its forecast up from 3.5% to 5.0% in 2022, from 2.1% to 4.0% in 2023, and

from 2.1% to 2.5% in 2024 and 2025, with 2026 and 2027 also forecast at 2.5%. The higher energy prices, increased demand, and supply constraints that have recently led to increased inflation are expected to continue through 2022 and into 2023 before abating.

Finally, the forecast for corporate profits was revised up from 30.0% to 45.0% in 2021 to reflect year-to-date information on revenues from corporate income taxes. The forecasts for 2022 and 2023 were also revised up, from 2.0% in 2022 and 3.0% in 2023 to 4.0% in both years. 2024 and 2025 were left unchanged at 6.0%, with 2026 and 2027 also forecast at 6.0%.

The following page provides the full forecast.



# Maine Consensus Economic Forecasting Commission

February 2022 Forecast

	History	Forecast						
	2020	2021	2022	2023	2024	2025	2026	2027
CPI-U* (Annual Change)	1.2%	4.7%	5.0%	4.0%	2.5%	2.5%	2.5%	2.5%
CPI for Energy Prices** (Annual Change)	-8.3%	20.8%	10.0%	-2.7%	0.8%	2.0%	2.2%	1.4%
Avg. Price of New Vehicles** (Annual Change)	5.7%	12.1%	5.6%	-11.2%	-3.3%	6.5%	10.0%	6.8%
New Vehicle Registrations** (Annual Change)	-7.7%	7.7%	-7.0%	6.2%	0.8%	-1.6%	-3.2%	-1.5%
Personal Savings Rate**	16.4%	11.9%	5.6%	6.1%	6.5%	6.7%	6.7%	6.4%
Maine Unemployment Rate**	5.4%	4.9%	3.6%	3.1%	3.1%	3.1%	3.2%	3.2%
3-Month Treasury Bill Rate**	0.37%	0.04%	0.35%	1.09%	1.58%	1.92%	2.15%	2.36%
10-Year Treasury Note Yield**	0.89%	1.44%	1.78%	2.40%	2.73%	2.93%	3.03%	3.08%
Before-Tax Corporate Profits* (Annual Change)	-3.1%	45.0%	4.0%	4.0%	6.0%	6.0%	6.0%	6.0%
Maine Wage & Salary Employment* (thousands)	596.3	618.3	629.4	635.7	638.3	639.5	639.5	639.5
Natural Resources	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.1
Construction	30.0	30.4	30.7	30.6	30.1	30.0	29.9	29.8
Manufacturing	50.7	53.2	53.9	54.0	53.7	53.1	52.7	52.3
Trade/Trans./Public Utils.	111.7	117.7	117.2	114.9	111.9	109.9	109.7	109.7
Information	6.4	6.5	6.4	6.5	6.7	6.8	6.7	6.6
Financial Activities	32.6	32.9	33.9	33.9	33.9	34.1	33.9	33.5
Prof. & Business Services	68.0	70.6	73.3	74.2	75.1	76.1	76.5	77.0
Education & Health Services	124.8	125.8	126.8	127.3	128.9	129.9	130.2	130.6
Leisure & Hospitality Services	51.8	59.5	63.4	68.5	71.5	72.6	72.9	73.0
Other Services	20.3	21.8	22.7	22.9	23.2	23.6	23.6	23.6
Government	97.8	97.6	98.8	100.8	101.2	101.3	101.3	101.3
Maine Wage & Salary Employment* (Annual Change)	-6.4%	3.7%	1.8%	1.0%	0.4%	0.2%	0.0%	0.0%
Natural Resources	-4.5%	1.0%	4.8%	-2.5%	-0.5%	2.2%	-0.5%	-3.1%
Construction	-0.3%	1.4%	1.0%	-0.4%	-1.6%	-0.5%	-0.1%	-0.4%
Manufacturing	-4.7%	5.0%	1.2%	0.2%	-0.5%	-1.1%	-0.8%	-0.6%
Trade/Trans./Public Utils.	-5.9%	5.4%	-0.4%	-2.0%	-2.6%	-1.8%	-0.2%	0.0%
Information	-11.1%	2.3%	-1.5%	0.1%	3.4%	1.3%	-1.0%	-1.2%
Financial Activities	-1.2%	1.0%	3.1%	0.0%	0.0%	0.4%	-0.5%	-1.1%
Prof. & Business Services	-2.9%	3.8%	3.9%	1.1%	1.3%	1.3%	0.5%	0.6%
Education & Health Services	-3.5%	0.8%	0.8%	0.4%	1.2%	0.8%	0.2%	0.3%
Leisure & Hospitality Services	-26.1%	14.9%	6.5%	8.0%	4.4%	1.6%	0.3%	0.2%
Other Services	-9.0%	7.3%	4.0%	1.2%	1.0%	1.7%	0.2%	0.1%
Government	-3.4%	-0.2%	1.2%	2.0%	0.4%	0.2%	0.0%	0.0%
	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income* (\$ million)	73,193	77,927	79,222	83,164	87,273	91,255	95,457	99,748
Wages & Salaries*	32,289	34,775	37,035	39,072	41,026	42,667	44,503	46,415
Supplements to Wages & Salaries*	7,953	8,391	8,936	9,427	9,899	10,295	10,740	11,202
Nonfarm Proprietors' Income*	4,994	5,494	5,961	6,318	6,679	7,039	7,359	7,634
Farm Proprietors' Income**	273	208	142	140	140	135	132	133
Dividends, Interest, & Rent*	12,521	12,621	13,151	13,677	14,224	14,793	15,552	16,331
Dividends	3,807	3,786	4,032	4,254	4,481	4,645	4,868	5,095
Interest	5,365	5,423	5,567	5,826	6,131	6,539	7,014	7,545
Rent	3,350	3,414	3,551	3,597	3,613	3,610	3,670	3,691
Personal Current Transfer Receipts*	19,557	21,122	19,010	19,770	20,759	22,004	23,091	24,212
Less: Contributions for Social Ins.**	5,531	5,945	6,325	6,597	6,861	7,138	7,437	7,753
Adjustment for Residence**	1,137	1,261	1,312	1,355	1,408	1,460	1,516	1,574
Personal Income* (Annual Change)	7.9%	6.5%	1.7%	5.0%	4.9%	4.6%	4.6%	4.5%
Wages & Salaries*	2.9%	7.7%	6.5%	5.5%	5.0%	4.0%	4.3%	4.3%
Supplements to Wages & Salaries*	2.7%	5.5%	6.5%	5.5%	5.0%	4.0%	4.3%	4.3%
Nonfarm Proprietors' Income*	0.8%	10.0%	8.5%	6.0%	5.7%	5.4%	4.5%	3.7%
Farm Proprietors' Income**	89.5%	-23.7%	-31.6%	-1.6%	-0.3%	-3.5%	-2.0%	0.7%
Dividends, Interest, & Rent*	-1.0%	0.8%	4.2%	4.0%	4.0%	4.0%	5.1%	5.0%
Dividends	-1.0%	-0.5%	6.5%	5.5%	5.3%	3.7%	4.8%	4.7%
Interest	-4.5%	1.1%	2.7%	4.7%	5.2%	6.7%	7.3%	7.6%
Rent	5.1%	1.9%	4.0%	1.3%	0.4%	-0.1%	1.7%	0.6%
Personal Current Transfer Receipts*	29.3%	8.0%	-10.0%	4.0%	5.0%	6.0%	4.9%	4.9%
Less: Contributions for Social Ins.**	5.0%	7.5%	6.4%	4.3%	4.0%	4.0%	4.2%	4.3%
Adjustment for Residence**	1.1%	10.9%	4.0%	3.3%	3.9%	3.7%	3.8%	3.8%

\*CEFC Forecast

\*\*From IHS Markit and Moody's Analytics baselines (Jan. 2022)

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

## **Alternative Economic Scenarios**

### **Statute and Background: 5 M.R.S.A. §1710-A**

*4. Alternative economic scenarios. No later than February 1st of each even-numbered year the commission shall provide to the State Budget Officer, the State Economist and the Associate Commissioner for Tax Policy at least 2 additional economic forecasts that assume potential economic recession scenarios of varying levels of severity. These additional forecasts must include economic assumptions for the current fiscal biennium and the next 2 fiscal biennia. In each report the commission shall fully describe the methodology employed in reaching its recommendations.*

Every other year, beginning in 2018, statute requires the CEFC to provide the State Economist, the State Budget Officer, and the Associate Commissioner for Tax Policy with at least two alternative economic recession scenarios of varying levels of severity. The alternative scenarios are required to be included in the CEFC's report due February 1<sup>st</sup> of each even-numbered year and also must include assumptions for calendar years that encompass the current and next two biennia. By October 1<sup>st</sup> of each even-numbered year the CEFC and RFC will jointly issue a report to the Governor, the Legislative Council and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs that utilizes the alternative economic scenarios recommended by the CEFC. The report will include analyses and findings that detail the stress impact such economic recession scenarios would have on the current General Fund revenue projections of sales and income tax revenues. In addition, the report must include an analysis of the sufficiency of the current level of the Budget Stabilization Fund and an estimate of the reserves in the Budget Stabilization Fund necessary to offset the declines in revenue as a result of potential economic recession scenarios.

### **Methodology**

The CEFC decided to designate two alternative scenarios provided by Moody's Analytics in January 2022 as the moderate and severe recession scenarios. While the scenarios describe a particular set of specific events surrounding the recessions, the Commission does not ascribe to these specifics, instead selecting the scenarios based on the numbers and growth rates that seemed reasonable as generic "moderate" and "severe" recessions, with the "moderate" scenario intended to reflect pressures from higher rates of inflation. These scenarios should provide plausible economic inputs for an analysis of the General Fund revenue projections in both a moderate and severe downturn. In both cases, the scenarios will be adjusted to reflect the CEFC's February 2022 baseline forecast and will show hypothetical downturns beginning in the first quarter of calendar year 2023. Brief descriptions of the economic conditions follow; forecast details will be included in the October 1, 2022, stress test report.

### **Moderate recession scenario**

The moderate recession scenario selected by the CEFC is the "S7" Next-Cycle Recession scenario. This scenario has the recession lasting four quarters and is brought on in part by persistently higher inflation. The cumulative decline in national real gross domestic product is 2.0 percent, comparable to the postwar average prior to COVID-19. Employment in Maine declines around 2.3 percent. Wage and salary income in Maine declines around 0.1 percent, while total personal income continues to grow but at a slower pace.

### **Severe recession scenario**

The severe recession scenario selected by the CEFC is the "S4" downside scenario. This scenario has the recession lasting five quarters with a much slower recovery. National real gross domestic product declines around 0.9 percent in the first year of the recession and 1.2 percent in the second year. Employment in Maine declines around 2.6 percent in the first year and 2.2 percent in the second year. Wage and salary income in Maine declines around 3.2 percent in the first year and 1.7% in the second year and total personal income declines around 7.5 percent in the first year and 0.8 percent in the second year.



## **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><b>FY2022</b></u>	<u><b>FY2023</b></u>	<u><b>Biennium</b></u>	<u><b>FY2024</b></u>	<u><b>FY2025</b></u>	<u><b>Biennium</b></u>
<b>Sales &amp; Use Tax</b>	\$28,200,000	\$37,900,000	\$66,100,000	\$47,700,000	\$56,400,000	\$104,100,000
<b>Individual Income Tax</b>	\$126,500,000	\$80,500,000	\$207,000,000	\$63,000,000	\$87,000,000	\$150,000,000
<b>Corporate Income Tax</b>	\$75,000,000	\$62,000,000	\$137,000,000	\$54,000,000	\$58,250,000	\$112,250,000
<b>Estate Tax</b>	\$8,050,000	\$2,000,000	\$10,050,000	\$2,750,000	\$3,000,000	\$5,750,000
<b>Real Estate Transfer Tax, General Fund</b>	\$2,972,945	\$2,945,048	\$5,917,992	\$3,374,286	\$3,980,980	\$7,355,266
<b>Cigarette, Tobacco, and Marijuana Excise Taxes</b>	-\$525,000	-\$2,121,000	-\$2,646,000	-\$2,391,000	-\$2,776,000	-\$5,167,000
<b>Business Equipment Tax Exemption Reimbursement</b>	-\$1,230,000	-\$1,340,000	-\$2,570,000	-\$1,440,000	-\$1,540,000	-\$2,980,000
<b>Gas Tax</b>	-\$2,300,000	-\$2,358,000	-\$4,658,000	-\$2,383,000	-\$2,408,770	-\$4,791,770
<b>Special Fuels Tax</b>	\$2,341,800	\$2,354,327	\$4,696,127	\$2,376,020	\$2,397,080	\$4,773,100
<b>Total Adjustments to Current Forecast</b>	\$239,009,745	\$181,884,048	\$420,893,792	\$166,993,286	\$204,314,980	\$371,308,266
General Fund	\$229,455,588	\$172,961,603	\$402,417,190	\$159,331,311	\$194,804,202	\$354,135,513
Local Government Fund	\$9,633,769	\$9,709,785	\$19,343,554	\$8,212,261	\$10,040,577	\$18,252,838
Tourism Marketing Promotion Fund	\$0	\$309,000	\$309,000	\$343,000	\$355,000	\$698,000
Adult Use Marijuana Public Health and Safety Fund	-\$121,412	-\$559,340	-\$680,752	-\$682,286	-\$870,799	-\$1,553,085
Multimodal Transportation Fund	\$0	-\$537,000	-\$537,000	-\$211,000	-\$14,000	-\$225,000
Highway Fund (Motor Fuel Taxes)	\$91,868	\$51,145	\$143,013	\$48,665	\$44,906	\$93,571
Transcap Trust Fund	\$7,449	\$4,148	\$11,597	\$3,946	\$3,641	\$7,587
Other Gas Tax Distributions	-\$57,517	-\$58,966	-\$116,483	-\$59,591	-\$60,237	-\$119,828

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

# ***STATE REVENUE UPDATE***

**Michael J. Allen**  
**Associate Commissioner of Tax Policy**  
**Maine Revenue Services – Office of Tax Policy**

# Evolving Revenue Forecast During 2020 and 2021

## General Fund Summary

	FY21	FY22	FY23	FY24	FY25
<b>March 2020 Forecast</b>	\$4,070,279,515	\$4,174,531,432	\$4,317,597,709		
Annual % Growth	2.5%	2.6%	3.4%		
<b>May 2021 Forecast Adjusted <sup>1</sup></b>	\$4,520,591,145	\$4,179,154,919	\$4,325,387,503	\$4,484,402,527	\$4,628,688,473
Annual % Growth	13.9%	-7.6%	3.5%	3.7%	3.2%
Net Increase (Decrease)	\$0	\$443,172,347	\$379,073,003	\$401,908,593	\$419,689,617
<b>Dec 2021 Forecast</b>	\$4,520,591,145	\$4,622,327,266	\$4,704,460,506	\$4,886,311,120	\$5,048,378,090
Annual % Growth	13.9%	2.3%	1.8%	3.9%	3.3%
Change \$ from March 2020 RFC	\$450,311,629	\$447,795,834	\$386,862,797	na	na
Change % from March 2020 RFC	11.1%	10.7%	9.0%	na	na

*1/ Reflects FY21 actual revenue and revenue changes enacted subsequent to the May 2021 Forecast*



# FY22 GF Revenue Relative to Budget

## STATE OF MAINE

Undedicated Revenues - General Fund  
For the Seventh Month Ended January 31, 2022  
For the Fiscal Year Ending June 30, 2022  
Comparison to Budget

Exhibit I

### PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2022
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 180,504,820	\$ 177,104,373	\$ 3,400,447	1.9 %	\$ 1,282,850,443	\$ 1,270,753,555	\$ 12,096,888	1.0 %	\$ 2,012,416,156
Service Provider Tax	4,319,847	4,188,559	131,288	3.1 %	29,650,276	29,319,915	330,361	1.1 %	51,000,000
Individual Income Tax	271,827,777	251,888,192	19,939,585	7.9 %	1,348,673,802	1,290,401,361	58,272,441	4.5 %	2,048,250,000
Corporate Income Tax	15,457,197	4,000,000	11,457,197	286.4 %	207,729,457	160,118,088	47,611,369	29.7 %	255,033,737
Cigarette and Tobacco Tax	12,089,426	10,399,358	1,690,068	16.3 %	89,535,274	88,813,365	721,909	0.8 %	150,745,000
Insurance Companies Tax	35,025	29,562	5,463	18.5 %	15,866,713	14,031,772	1,834,941	13.1 %	88,250,000
Estate Tax	5,297,539	1,600,000	3,697,539	231.1 %	30,499,835	24,195,156	6,304,679	26.1 %	31,950,000
Fines, Forfeits & Penalties	(2,837)	1,084,291	(1,087,128)	(100.3)%	3,019,632	4,433,739	(1,414,107)	(31.9)%	9,889,346
Income from Investments	683,606	426,433	257,173	60.3 %	3,582,545	3,171,633	410,912	13.0 %	5,227,906
Transfer from Lottery Commission	5,233,306	4,903,789	329,517	6.7 %	41,189,686	38,567,245	2,622,441	6.8 %	65,000,000
Transfers for Tax Relief Programs	(4,566,652)	(7,458,517)	2,891,865	38.8 %	(64,030,272)	(65,502,153)	1,471,881	2.2 %	(76,150,000)
Transfer to Municipal Revenue Sharing	(18,349,785)	(14,487,023)	(3,862,762)	(26.7)%	(130,568,439)	(126,956,993)	(3,611,446)	(2.8)%	(203,301,782)
Other Taxes and Fees	14,395,778	11,626,466	2,769,312	23.8 %	87,695,417	84,916,199	2,779,218	3.3 %	150,101,084
Other Revenues	5,467,608	4,067,043	1,400,565	34.4 %	4,702,111	740,853	3,961,258	534.7 %	33,915,819
<b>Total Collected</b>	<b>\$ 492,392,653</b>	<b>\$ 449,372,526</b>	<b>\$ 43,020,127</b>	<b>9.6 %</b>	<b>\$ 2,950,396,482</b>	<b>\$ 2,817,003,735</b>	<b>\$ 133,392,747</b>	<b>4.7 %</b>	<b>\$ 4,622,327,266</b>

#### NOTES:

- (1) Included in the above is \$18,349,785 for the month and \$130,568,439 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 2021, laws enacted through the end of the 130th Legislature, 1st Special Session for all laws and any emergency laws.
- (3) This report has been prepared from preliminary month end figures and is subject to change.





# FY22 GF Revenue Relative to FY21

## STATE OF MAINE

Undedicated Revenues - General Fund  
For the Seventh Month Ended January 31, 2022 and 2021  
For the Fiscal Year Ending June 30, 2022 and 2021  
Comparison to To Prior Year

Exhibit II

### PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	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	\$ 180,504,820	\$ 158,318,499	\$ 22,186,321	14.0 %	\$ 1,282,850,443	\$ 1,056,737,114	\$ 226,113,329	21.4 %
Service Provider Tax	4,319,847	4,570,095	(250,248)	(5.5)%	29,650,276	31,730,483	(2,080,207)	(6.6)%
Individual Income Tax	271,827,777	260,089,308	11,738,469	4.5 %	1,348,673,802	1,180,340,365	168,333,437	14.3 %
Corporate Income Tax	15,457,197	13,934,965	1,522,232	10.9 %	207,729,457	132,682,241	75,047,216	56.6 %
Cigarette and Tobacco Tax	12,089,426	6,490,716	5,598,709	86.3 %	89,535,274	86,360,256	3,175,018	3.7 %
Insurance Companies Tax	35,025	28,962	6,062	20.9 %	15,866,713	14,702,472	1,164,241	7.9 %
Estate Tax	5,297,539	790,317	4,507,222	570.3 %	30,499,835	15,397,782	15,102,053	98.1 %
Fines, Forfeits & Penalties	(2,837)	381,347	(384,184)	(100.7)%	3,019,632	4,524,827	(1,505,195)	(33.3)%
Income from Investments	683,606	570,534	113,072	19.8 %	3,582,545	2,891,706	690,839	23.9 %
Transfer from Lottery Commission	5,233,306	10,216,388	(4,983,082)	(48.8)%	41,189,686	44,603,969	(3,414,283)	(7.7)%
Transfers for Tax Relief Programs	(4,566,652)	(9,340,072)	4,773,420	51.1 %	(64,030,272)	(67,144,985)	3,114,713	4.6 %
Transfer to Municipal Revenue Sharing	(18,349,785)	(13,113,056)	(5,236,729)	(39.9)%	(130,568,439)	(86,786,304)	(43,782,135)	(50.4)%
Other Taxes and Fees	14,395,778	10,548,963	3,846,815	36.5 %	87,695,417	82,144,086	5,551,331	6.8 %
Other Revenues	5,467,608	3,617,283	1,850,325	51.2 %	4,702,111	(7,255,360)	11,957,471	164.8 %
<b>Total Collected</b>	<b>\$ 492,392,653</b>	<b>\$ 447,104,249</b>	<b>\$ 45,288,404</b>	<b>10.1 %</b>	<b>\$ 2,950,396,482</b>	<b>\$ 2,490,928,652</b>	<b>\$ 459,467,830</b>	<b>18.4 %</b>

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





# FY22 HWF Revenue Relative to Budget

## STATE OF MAINE

Undedicated Revenues - Highway Fund  
For the Seventh Month Ended January 31, 2022  
For the Fiscal Year Ending June 30, 2022  
Comparison to Budget

Exhibit V

### PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2022
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 17,945,036	\$ 18,183,385	\$ (238,349)	(1.3)%	\$ 136,800,387	\$ 136,190,526	\$ 609,861	0.4 %	\$ 224,611,316
Motor Vehicle Registration & Fees	9,269,512	8,228,905	1,040,607	12.6 %	57,548,174	55,961,628	1,586,546	2.8 %	92,198,868
Motor Vehicle Inspection Fees	198,945	395,088	(196,144)	(49.6)%	1,848,025	2,092,194	(244,170)	(11.7)%	3,015,291
Miscellaneous Taxes & Fees	101,795	95,689	6,106	6.4 %	930,280	773,339	156,941	20.3 %	1,267,454
Fines, Forfeits & Penalties	73,062	50,534	22,528	44.6 %	717,713	353,738	363,975	102.9 %	606,412
Earnings on Investments	8,882	8,800	82	0.9 %	111,439	88,952	22,487	25.3 %	146,248
All Other	504,673	464,324	40,349	8.7 %	10,499,037	10,001,193	497,844	5.0 %	12,908,725
Total Collected	\$ 28,101,904	\$ 27,426,725	\$ 675,179	2.5 %	\$ 208,455,056	\$ 205,461,570	\$ 2,993,486	1.5 %	\$ 334,754,314

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



# FY22 HWF Revenue Relative to FY21

## STATE OF MAINE

Undedicated Revenues - Highway Fund  
For the Seventh Month Ended January 31, 2022 and 2021  
For the Fiscal Year Ending June 30, 2022 and 2021  
Comparison to To Prior Year

Exhibit VI

### PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	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	\$ 17,945,036	\$ 16,006,562	\$ 1,938,474	12.1 %	\$ 136,800,387	\$ 127,824,079	\$ 8,976,309	7.0 %
Motor Vehicle Registration & Fees	9,269,512	9,598,371	(328,859)	(3.4)%	57,548,174	58,902,021	(1,353,847)	(2.3)%
Motor Vehicle Inspection Fees	198,945	254,235	(55,290)	(21.7)%	1,848,025	1,514,869	333,156	22.0 %
Miscellaneous Taxes & Fees	101,795	108,245	(6,449)	(6.0)%	930,280	924,279	6,001	0.6 %
Fines, Forfeits & Penalties	73,062	70,404	2,658	3.8 %	717,713	628,483	89,230	14.2 %
Earnings on Investments	8,882	16,134	(7,252)	(44.9)%	111,439	129,586	(18,147)	(14.0)%
All Other	504,673	565,400	(60,728)	(10.7)%	10,499,037	9,497,064	1,001,973	10.6 %
Total Collected	\$ 28,101,904	\$ 26,619,350	\$ 1,482,554	5.6 %	\$ 208,455,056	\$ 199,420,382	\$ 9,034,675	4.5 %

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



# MRS Office of Tax Policy Presentation for March 2022 Revenue Forecast

# Revenue Through the First Seven Months of the Fiscal Year

	Amount (\$million)				Average Annual Growth Between FY 22 and:		
Fiscal Year	2019	2020	2021	2022	2019	2020	2021
Individual Income Tax	\$1,036.0	\$1,101.9	\$1,180.3	\$1,348.7	9.2%	10.6%	14.3%
Sales & Use Tax	\$957.3	\$1,024.8	\$1,056.7	\$1,282.9	10.2%	11.9%	21.4%
Corporate Income Tax	\$133.4	\$117.3	\$132.7	\$207.7	15.9%	33.1%	56.6%
Cig. And Tobacco Tax	\$79.3	\$81.5	\$85.4	\$87.0	3.1%	3.4%	1.9%
Estate Tax	\$3.1	\$16.8	\$15.4	\$30.5	113.9%	34.8%	98.1%
SPT, General Fund	\$35.9	\$33.9	\$31.7	\$29.7	-6.1%	-6.5%	-6.6%
RETT, General Fund	\$12.9	\$9.0	\$11.8	\$17.3	10.2%	38.7%	46.2%
Total	\$2,257.9	\$2,385.0	\$2,514.1	\$3,003.7	10.0%	12.2%	19.5%

# Sales & Use Tax

# Sales Tax History and Forecast

(\$million)

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast
2017	\$1,336.9		
2018	\$1,423.6	6.5%	
2019	\$1,503.8	5.6%	
2020	\$1,555.7	3.5%	
2021	\$1,804.2	16.0%	
2022	\$2,042.9	13.2%	\$28.2
2023	\$2,114.5	3.5%	\$37.9
2024	\$2,180.8	3.1%	\$47.7
2025	\$2,246.3	3.0%	\$56.4

# Sales Tax Main Points

- Phenomenal revenue performance in 2021

Revenue from calendar year sales*	Q1	Q2	Q3	Q4	Year
2020 v. 2021	24.9%	41.6%	21.7%	16.8%	24.2%
2019 v. 2021	29.4%	32.1%	23.2%	24.5%	26.6%

- Positive variances in December (\$7.3 million/5.1%) and January (\$3.16 million/ 1.8%)
  - Rental of lodging sales continues to exceed expectations
- Revisions to the economic forecast explain the recommended upward adjustment
  - Increase in personal income forecast + savings rate forecast mostly unchanged → increase Maine PCE forecast

\*For example, Q1 refers to February through April revenue, which arises mainly from January – March sales. Excludes the net accrual in 2021 Q2. With the net accrual, 2021 Q2 YoY growth is 51.1%.

# CEFC Forecast

	2021	2022	2023	2024	2025
	CPI				
February 2022, annual % change	4.7%	5.0%	4.0%	2.5%	2.5%
November 2021, annual % change	4.4%	3.5%	2.1%	2.1%	2.1%
Price level, Current / Previous Forecast	0.3%	1.7%	3.6%	4.0%	4.4%
	Personal Income				
February 2022, annual % change	6.5%	1.7%	5.0%	4.9%	4.6%
November 2021, annual % change	5.2%	0.5%	4.6%	4.8%	4.6%
Personal Income, Current / Previous Forecast	1.2%	2.4%	2.8%	2.9%	2.8%
	Average Price of New Vehicle Price				
February 2022, annual % change	12.1%	5.6%	-11.2%	-3.3%	6.5%
November 2021, annual % change	11.2%	2.6%	2.2%	1.0%	0.7%
Average price, Current / Previous Forecast	0.8%	3.8%	-9.9%	-13.7%	-8.7%
	New vehicle registrations				
February 2022, annual % change	7.7%	-7.0%	6.2%	0.8%	-1.6%
November 2021, annual % change	5.6%	-8.3%	7.7%	2.5%	-1.7%
Registrations, Current / Previous Forecast	2.0%	3.5%	2.0%	0.4%	0.4%
Construction employment, Current / Previous Forecast	-0.7%	1.1%	1.2%	0.1%	0.1%

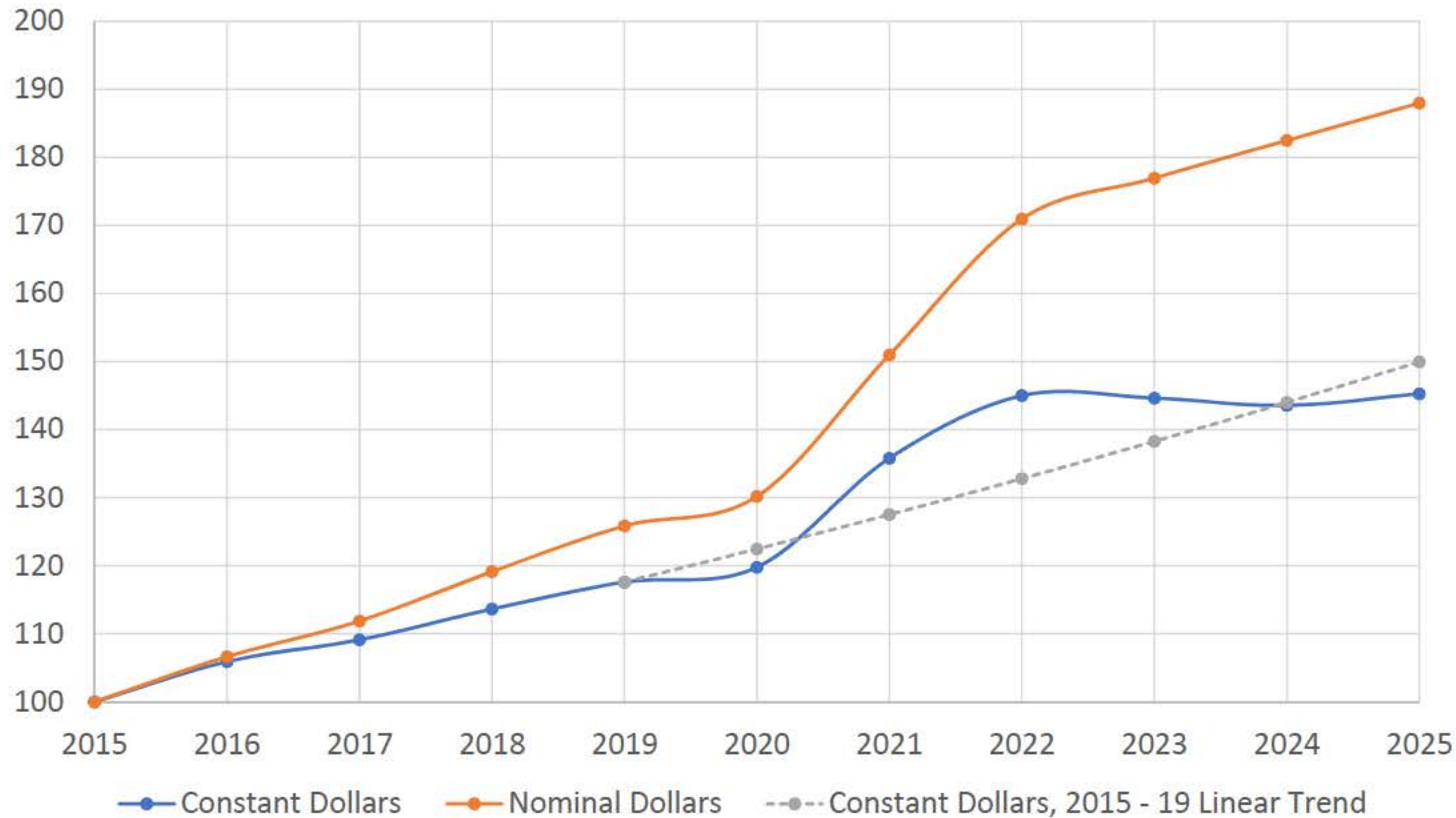


# Source of Forecast Adjustments

	2022	2023	2024	2025
Non-auto 5.5% Sales	\$20.0	\$41.9	\$64.3	\$68.5
Lodging 9%	\$5.4	\$5.6	\$5.9	\$6.1
Auto Sales 5.5%	\$4.1	-\$8.7	-\$21.1	-\$15.7
Prepared Food 8%	\$1.5	\$1.6	\$1.6	\$1.7
Short-term auto rental 10%	-\$0.6	-\$0.2	\$0.0	\$0.0
Adult use MJ 10%	-\$0.9	-\$3.0	-\$3.5	-\$4.7
Residual/(Revenue – liability_t-1)	-\$0.3	\$0.0	\$0.0	\$0.0
Net accrual	-\$1.0	\$0.6	\$0.5	\$0.6
Total	\$28.2	\$37.9	\$47.7	\$56.4

# Sales & Use Tax Revenue by Fiscal Year

Actual and December Forecast Recommendation; 2015=100



6.5% average annual growth nominal revenue FY 2015 - 2025

2015 – 2019 Growth: Many large remote sellers began collecting sales tax over this period.

# 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	12.7%	
2021-22**	5.1%	\$126.5
2022-23	0.5%	\$80.5
2023-24	3.8%	\$63
2024-25	5.4%	\$87

\*Without 1040 estimated and final payment accruals FY 20 growth would have been -14.1%.

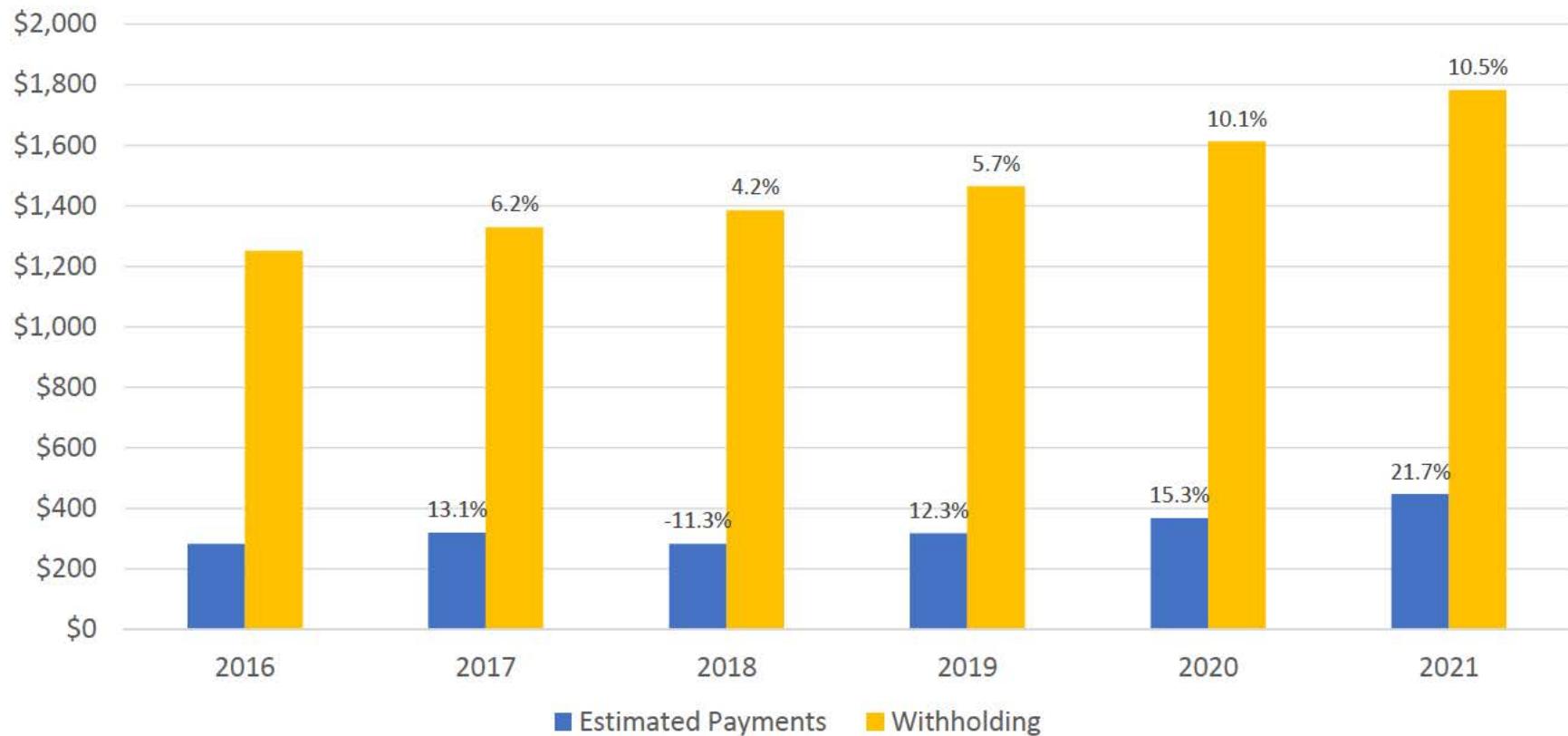
\*\*Approximately 6.5% growth without the refundable credit expansions in tax year 2021.

# Individual Income Tax: Main Points

- Withholding and estimated payments growth associated with tax year 2021 both very strong and significantly over budget
  - Economic forecast revisions for 2021 help explain variance
- Recommended changes to revenue forecast reflect three main factors
  - New economic forecast
    - Large upward adjustments to wages and nonfarm proprietor's income forecast especially significant
    - Higher inflation reduces revenue, all else equal
  - Capital gains upward adjustment in tax year 2021 and downward adjustment in 2022
  - Downward adjustment to nonresident liability after tax year 2021
- Tax liability growth will likely exceed 10% for two consecutive years

# Withholding and Estimated Payments

(\$million)



Estimated payments year  $t$  = February 9<sup>th</sup> year  $t$  through February 8<sup>th</sup> year  $t+1$

Withholding = Calendar year withholding after moving first week of January deposits to December

# Withholding and Estimated Payments, 2021

- Withholding
  - \$38.8 million variance through December
  - 2021 wage forecast upward revision from 5.5% to 7.7% growth helps explain why over budget
  - Non-wage withholding
    - Unemployment withholding fell by \$31.5 million, a 56% reduction
    - Other non-wage withholding increased by roughly \$24 million, a 30% increase
      - 2020 suspension of required minimum distributions expired in 2021
- Estimated payments
  - \$43.7 million variance through February 17<sup>th</sup>
  - Tax year 2021 estimated payments approximately 40% higher than 2019

# Income Tax Forecast: Wages

## CEFC Wage Forecast

	2021	2022	2023	2024	2025
Feb. 2022	7.7%	6.5%	5.5%	5.0%	4.0%
Nov. 2021	5.5%	5.0%	5.0%	5.0%	4.0%
New wage forecast/previous*	2.1%	3.5%	4.0%	4.0%	4.0%
Increase in resident revenue forecast due to wage revisions (\$million)	\$41.7	\$74.8	\$89.2	\$94.2	\$98.4
Wage + unemployment insurance in MAGI forecast:					
	6.6%	4.4%	5.5%	5.0%	4.0%



# Income Tax Forecast: Capital Gains

Tax Year	2019	2020	2021	2022	2023	2024	2025
March 2022	-1.7%	40%	39.5%	-33.8%	-2.0%	0%	0%
December 2021	-1.7%	40%	25.1%	-14.9%	-15.0%	0%	0%
Resident Liability, March 2022 (\$million)	\$145.8	\$208.0	\$298.3	\$186.8	\$180.3	\$178.2	\$177.0
Contribution to resident liability revision (\$million)			\$33.0	-\$33.4	-\$1.1	-\$1.4	-\$1.7

# Income Tax Forecast: Business Income

## Nonfarm Proprietor's Income, Annual Growth

	2020	2021	2022	2023	2024	2025
February 22 CEFC	0.8%	10.0%	8.5%	6.0%	5.7%	5.4%
November 21 CEFC	0.8%	5.5%	6.5%	6.0%	5.7%	5.4%
New forecast / previous	0.0%	4.3%	6.2%	6.2%	6.2%	6.2%

- 2020 and 2021 nonfarm proprietor's income includes new nontaxable subsidies, including forgiven PPP loans, EIDL advances, and restaurant revitalization fund grants.
- Policy will be a drag on growth in 2022

# Income Tax Forecast: Inflation

- Resident liability before refundable credits would be \$13 million higher in 2023, \$27 million higher in 2024, and \$47 million higher in 2025 if the inflation forecast was unchanged
- Lagged inflation adjustments + accelerating inflation result in temporary bracket creep
  - Tax year  $t$  tax brackets and other Maine parameters are based on inflation through June  $t-1$ ; standard deduction and other federal tax parameters are based on inflation through August  $t-1$ ; round down rules apply
  - 2021
    - C-CPI-U growth: 4.6%
    - Nominal wage growth forecast: 7.7%
    - Standard deduction increased 1.2% and tax brackets increased 1 – 1.1%; personal exemption no change
  - 2022
    - CPI-U forecast 5.0%
    - Nominal wage growth forecast: 6.5%
    - Standard deduction increased 3.2% and tax brackets increased 2.4%; personal exemption increases 3.5%

# Income Tax Forecast: Miscellaneous

- Extension of student loan repayment deferral reduces the Opportunity Maine Tax Credit forecast for 2022
- Changed assumptions about nonresident liability growth
  - Before: Same annual growth rate as residents
  - Current: 2019 – 2022 growth the same for nonresidents and residents
  - Liability excluding full-year residents grew 26% in 2020 >> full-year resident liability growth, so change reduces the tax liability forecast in 2022 and beyond

# Individual Income Tax: History and Recommended Tax Liability Growth Rates

(\$million)

Tax year	Liability before refundable credits	Liability after refundable credits
2018	5.6%	4.9%
2019	5.9%	6.0%
2020	12.2%	11.7%
2021	11.1%	10.2%
2022	-0.3%	-0.8%
2023	4.4%	4.3%
2024	5.6%	5.8%
2025	4.6%	4.8%

These growth rates represent actual or forecast liability growth as of August three years after the tax year.

# 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	31.5%	
2021-22	16.1%	\$75
2022-23	1.8%	\$62
2023-24	9.7%	\$54
2024-25	6.0%	\$58.25

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

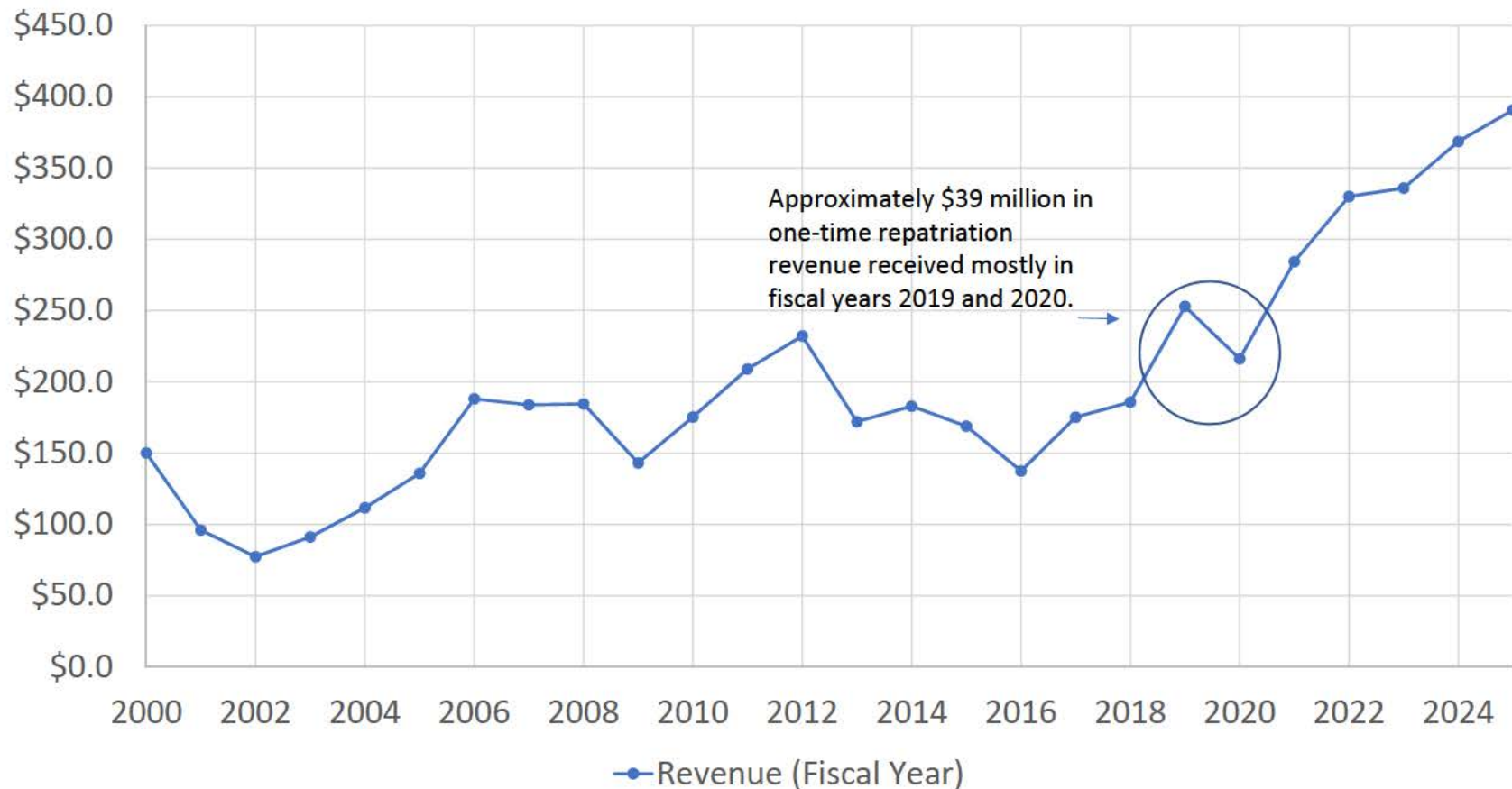
	2021	2022	2023	2024	2025
February 22 CEFC	45.0%	4.0%	4.0%	6.0%	6.0%
November 21 CEFC	30.0%	2.0%	3.0%	6.0%	6.0%
Current CEFC Forecast / Prior CEFC Forecast, level	11.5%	13.7%	14.8%	14.8%	14.8%

- \$47.6 million variance through January, primarily from estimated payments



# Corporate Income Tax Revenue: History and Forecast

(\$million)



# Other Taxes

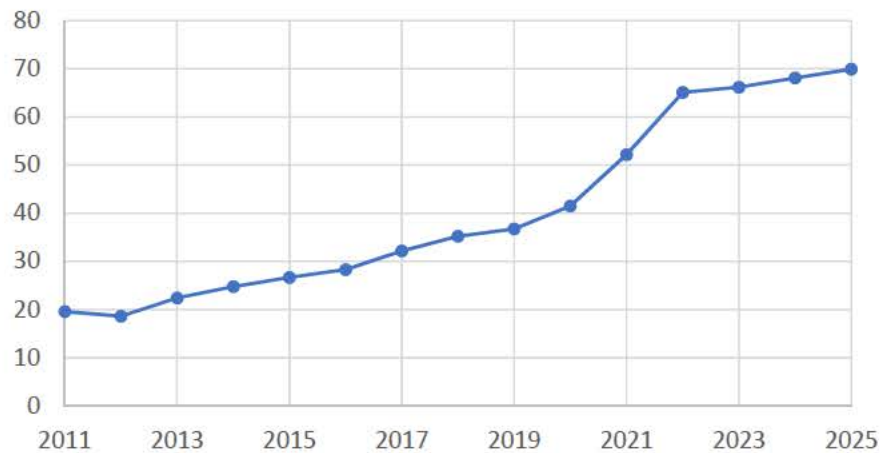
# Real estate transfer tax

	Home price, existing median			Home sales, existing single-family	
	November Forecast	February Forecast		November Forecast	February Forecast
2020	13.0%	13.0%		22.9%	22.9%
2021	18.7%	19.1%		-7.9%	-6.4%
2022	4.2%	7.5%		-2.4%	-5.5%
2023	1.8%	1.7%		7.7%	4.2%
2024	0.4%	1.1%		9.1%	18.3%
2025	0.4%	0.8%		-2.9%	-0.8%

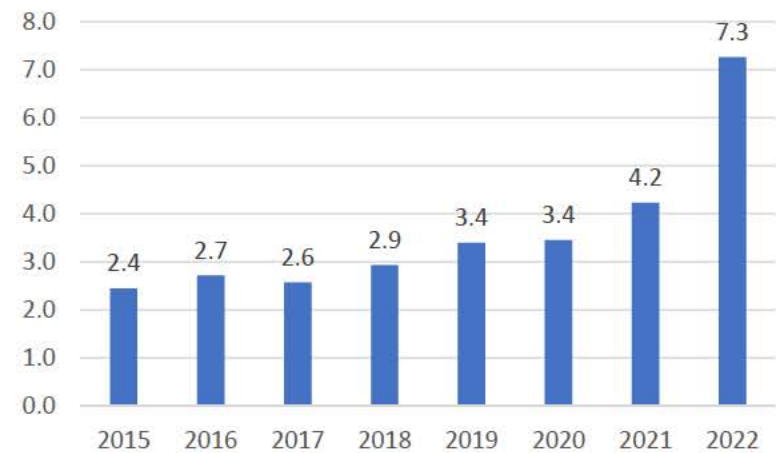
- \$1.67 million General Fund variance through January
- Increase General Fund forecast by approximately \$3 million in FY 2022 and \$3 - \$4 million per year afterward.

# RETT Revenue History

Total RETT Revenue by Fiscal Year  
(\$million)



Total January RETT Revenue  
(\$million)



# Cigarette, Tobacco, and Marijuana Excise Taxes

- Marijuana Excise Tax
  - Downward adjustment of \$525,000 in FY 2022 and \$2.1 - \$2.8 million after FY 2022
  - New forecast recommendation slows growth rate of adult use marijuana
- Cigarette and Tobacco Products Tax
  - No change to forecast recommendation
  - \$1.9 million combined variance through January
  - Municipal flavored tobacco bans

# Estate Tax

Fiscal Year	2022	2023	2024	2025
Forecast Change (\$mil)	\$8.05	\$2.0	\$2.75	\$3.0

\$6.3 million variance through January

# Business Equipment Tax Exemption Reimbursement

## Forecast change in reimbursements

Fiscal Year	2022	2023	2024	2025
Forecast Change (\$mil)	\$1.23	\$1.34	\$1.44	\$1.54

# Fuel Taxes

## Recommended Forecast Change (\$million)

Fiscal Year	2022	2023	2024	2025
Gas Tax	-\$2.30	-\$2.36	-\$2.38	-\$2.41
Special Fuels Tax	\$2.34	\$2.35	\$2.38	\$2.40





## **APPENDIX G**

### **Other Background Materials**

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**Revenue Forecasting Committee - March 2022 - Hollywood Casino Bangor**

GENERAL FUND REVENUE		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Current Forecast - General Fund Revenue				\$5,950,233	\$6,317,835	\$6,365,970	\$6,414,464
Incremental Effect of March 2022 Forecast				\$673,329	(\$110,137)	\$36,245	(\$651)
March 2022 Forecast - Revised General Fund Revenue				\$6,623,562	\$6,207,698	\$6,402,215	\$6,413,813
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				\$3,607,923	\$3,669,038	\$3,696,556	\$3,724,280
Incremental Effect of December 2021 Forecast				\$356,242	\$55,827	\$150,751	\$126,874
March 2022 Forecast - Fund for a Healthy Maine Revenue				\$3,964,165	\$3,724,865	\$3,847,307	\$3,851,154
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	\$403,240,585	\$457,657,950	\$425,698,884	\$439,692,235	\$440,131,927
Player's Share (Payback Value)	B	\$276,210,244	\$364,711,910	\$413,439,722	\$384,193,242	\$396,822,242	\$397,219,065
3% Distribution to City of Bangor ( 03*(A-B))	3 0%	\$904,499	\$1,155,860	\$1,326,547	\$1,245,169	\$1,286,100	\$1,287,386
General Fund - Administration (1% of Gross Slot Income)	C 1 0%	\$3,063,602	\$4,032,406	\$4,576,579	\$4,256,989	\$4,396,922	\$4,401,319
Net Slot Machine Income (=A-B-C)		\$27,086,368	\$34,496,269	\$39,641,649	\$37,248,652	\$38,473,071	\$38,511,544
Licensees' Share of Net Slot Machine Income	61.0%	\$16,522,685	\$21,042,724	\$24,181,406	\$22,721,678	\$23,468,573	\$23,492,042
Licensees' Share of Net Slot after 3% Distribution to Bangor		\$15,618,186	\$19,886,864	\$22,854,859	\$21,476,509	\$22,182,473	\$22,204,656
Net Table Game Income		\$6,242,658	\$4,118,231	\$6,236,868	\$6,230,690	\$6,292,997	\$6,355,927
Licensee's Share of Net Table Game Income	84.0%	\$5,243,832	\$3,459,314	\$5,238,969	\$5,233,780	\$5,286,118	\$5,338,979
Distribution of State Share of Net Slot Machine Income							
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund (other)	3 0%	\$812,591	\$1,034,888	\$1,189,249	\$1,117,460	\$1,154,192	\$1,155,346
General Fund (After 48 months - November 2009)	1 0%	\$270,864	\$344,963	\$396,416	\$372,487	\$384,731	\$385,115
Fund for a Healthy Maine (FHM)	10 0%	\$2,708,637	\$3,449,627	\$3,964,165	\$3,724,865	\$3,847,307	\$3,851,154
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)	1 92%	\$520,058	\$662,328	\$761,120	\$715,174	\$738,683	\$739,422
Maine Maritime Academy Scholarship Program (beginning 9/1/13)	0 08%	\$21,669	\$27,597	\$31,713	\$29,799	\$30,778	\$30,809
Maine Community College System - Scholarship Funds	1 0%	\$270,864	\$344,963	\$396,416	\$372,487	\$384,731	\$385,115
Resident Municipalities	1 0%	\$270,864	\$344,963	\$396,416	\$372,487	\$384,731	\$385,115
Supplement Harness Racing Purses	10 0%	\$2,708,637	\$3,449,627	\$3,964,165	\$3,724,865	\$3,847,307	\$3,851,154
Sire Stakes Fund	3 0%	\$812,591	\$1,034,888	\$1,189,249	\$1,117,460	\$1,154,192	\$1,155,346
Fund to Encourage Racing at Maine's Commercial Tracks	4 0%	\$1,083,455	\$1,379,851	\$1,585,666	\$1,489,946	\$1,538,923	\$1,540,462
Fund to Stabilize Off-Track Betting (48 months - until Oct 2009)	2 0%	\$0	\$0	\$0	\$0	\$0	\$0
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)	1 0%	\$270,864	\$344,963	\$396,416	\$372,487	\$384,731	\$385,115
Agricultural Fair Support Fund	3 0%	\$812,591	\$1,034,888	\$1,189,249	\$1,117,460	\$1,154,192	\$1,155,346
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	9 0%	\$561,839	\$370,641	\$561,318	\$560,762	\$566,370	\$572,033
Gambling Control Board	3 0%	\$187,280	\$123,547	\$187,106	\$186,921	\$188,790	\$190,678
Municipality	2 0%	\$124,853	\$82,365	\$124,737	\$124,614	\$125,860	\$127,119
Coordinated Veterans Assistance Fund	2 0%	\$124,853	\$82,365	\$124,737	\$124,614	\$125,860	\$127,119
Revenue Summary							
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>General Fund</b>							
General Fund Administration (1% of gross slot income)		\$3,063,602	\$4,032,406	\$4,576,579	\$4,256,989	\$4,396,922	\$4,401,319
General Fund (Other)		\$1,545,294	\$1,650,492	\$2,046,983	\$1,950,709	\$2,005,293	\$2,012,494
Licensing revenue		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$4,608,896	\$5,682,898	\$6,623,562	\$6,207,698	\$6,402,215	\$6,413,813
Fund for a Healthy Maine		\$2,708,637	\$3,449,627	\$3,964,165	\$3,724,865	\$3,847,307	\$3,851,154
<b>Other Special Revenue Funds</b>							
Harness Racing Commission		\$5,688,138	\$7,244,217	\$8,324,745	\$7,822,218	\$8,079,345	\$8,087,423
HRC - Subtotal		\$5,688,138	\$7,244,217	\$8,324,745	\$7,822,218	\$8,079,345	\$8,087,423
PUS- host municipalities		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund		\$520,058	\$662,328	\$761,120	\$715,174	\$738,683	\$739,422
Maine Maritime Academy Scholarship Program		\$21,669	\$27,597	\$31,713	\$29,799	\$30,778	\$30,809
Maine Community College System Scholarships		\$270,864	\$344,963	\$396,416	\$372,487	\$384,731	\$385,115
Resident Municipalities		\$395,717	\$427,328	\$521,153	\$497,101	\$510,591	\$512,234
Gambling Addiction Prevention and Treatment Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Gambling Control Board		\$736,980	\$673,247	\$736,806	\$736,621	\$738,490	\$740,378
Coordinated Veterans Assistance Fund		\$124,853	\$82,365	\$124,737	\$124,614	\$125,860	\$127,119
Subtotal - Other Special Revenue Funds		\$7,883,279	\$9,587,045	\$11,021,690	\$10,423,014	\$10,733,478	\$10,747,500

## Revenue Forecasting Committee - March 2022 - Oxford Casino

<b>GENERAL FUND REVENUE</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Current Forecast - General Fund Revenue			\$2,394,752	\$2,224,954	\$2,236,078	\$2,247,259
Incremental Effect of March 2022 Forecast			\$156,929	\$145,879	\$152,536	\$159,269
March 2022 - Revised General Fund Revenue			\$2,551,681	\$2,370,833	\$2,388,614	\$2,406,528

### Detail of Current Revenue Forecast - Distribution of Total Income

		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Total Net Slot Machine Income		\$54,330,874	\$55,518,257	\$85,056,037	\$79,027,754	\$79,620,463	\$80,217,616
Total Net Table Game Income		\$12,318,385	\$6,839,780	\$17,081,047	\$16,409,262	\$16,450,285	\$16,491,411
<b>Licensees' Share of Total Net Slot Machine Income</b>	<b>54.0%</b>	<b>\$29,338,672</b>	<b>\$29,979,859</b>	<b>\$45,930,260</b>	<b>\$42,674,987</b>	<b>\$42,995,050</b>	<b>\$43,317,513</b>
<b>Licensees' Share of Total Net Table Game Income</b>	<b>84.0%</b>	<b>\$10,347,443</b>	<b>\$5,745,416</b>	<b>\$14,348,080</b>	<b>\$13,783,780</b>	<b>\$13,818,240</b>	<b>\$13,852,785</b>
<b>Total Licensees' Share of Net Income</b>		<b>\$39,686,115</b>	<b>\$35,725,275</b>	<b>\$60,278,340</b>	<b>\$56,458,767</b>	<b>\$56,813,290</b>	<b>\$57,170,298</b>

		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Distribution of State Share of Net Slot Machine Income</b>	<b>46.0%</b>						
K-12 Essential Programs and Services	25 0%	\$13,582,719	\$13,879,564	\$21,264,009	\$19,756,939	\$19,905,116	\$20,054,404
Maine's Penobscot and Passamaquoddy Indian Tribes	4 0%	\$2,173,235	\$2,220,730	\$3,402,241	\$3,161,110	\$3,184,819	\$3,208,705
General Fund - Administration	3 0%	\$1,629,926	\$1,665,548	\$2,551,681	\$2,370,833	\$2,388,614	\$2,406,528
University of Maine System Scholarship Fund (4% until 9/1/13)	3 83%	\$2,080,872	\$2,126,349	\$3,257,646	\$3,026,763	\$3,049,464	\$3,072,335
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0 17%	\$92,362	\$94,381	\$144,595	\$134,347	\$135,355	\$136,370
Agricultural Fair Support Fund	1 0%	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
Municipality in which casino is located	2 0%	\$1,086,617	\$1,110,365	\$1,701,121	\$1,580,555	\$1,592,409	\$1,604,352
Maine Community College System Scholarship Programs	3 0%	\$1,629,926	\$1,665,548	\$2,551,681	\$2,370,833	\$2,388,614	\$2,406,528
Fund to Supplement Harness Racing Purses	1 0%	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
Sire Stakes Fund	1 0%	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
County in which casino is located	1 0%	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	<b>0.5%</b>	\$271,654	\$277,591	\$425,280	\$395,139	\$398,102	\$401,088
Dairy Improvement Fund (Beginning 7/1/13)	<b>0.5%</b>	\$271,654	\$277,591	\$425,280	\$395,139	\$398,102	\$401,088

		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Distribution of State Share of Net Table Game Income</b>	<b>16.0%</b>						
K-12 Essential Programs and Services	10 0%	\$1,231,839	\$683,978	\$1,708,105	\$1,640,926	\$1,645,029	\$1,649,141
Gambling Control Board	3 0%	\$369,552	\$205,193	\$512,431	\$492,278	\$493,509	\$494,742
Municipality in which casino is located	2 0%	\$246,368	\$136,796	\$341,621	\$328,185	\$329,006	\$329,828
County in which casino is located	1 0%	\$123,184	\$68,398	\$170,810	\$164,093	\$164,503	\$164,914

<b>Revenue Summary</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>General Fund</b>						
General Fund Administration	\$1,629,926	\$1,665,548	\$2,551,681	\$2,370,833	\$2,388,614	\$2,406,528
License Fees	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal - General Fund</b>	<b>\$1,629,926</b>	<b>\$1,665,548</b>	<b>\$2,551,681</b>	<b>\$2,370,833</b>	<b>\$2,388,614</b>	<b>\$2,406,528</b>
<b>Other Special Revenue Funds</b>						
Gambling Control Board	\$567,877	\$403,518	\$710,756	\$690,603	\$691,834	\$693,067
K-12 Essential Programs and Services	\$14,814,558	\$14,563,542	\$22,972,114	\$21,397,865	\$21,550,145	\$21,703,545
Maine's Penobscot and Passamaquoddy Indian Tribes	\$2,173,235	\$2,220,730	\$3,402,241	\$3,161,110	\$3,184,819	\$3,208,705
University of Maine System Scholarship Fund	\$2,080,872	\$2,126,349	\$3,257,646	\$3,026,763	\$3,049,464	\$3,072,335
Maine Maritime Academy Scholarship Program	\$92,362	\$94,381	\$144,595	\$134,347	\$135,355	\$136,370
Agricultural Fair Support Fund	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
Municipality in which casino is located	\$1,332,985	\$1,247,161	\$2,042,742	\$1,908,740	\$1,921,415	\$1,934,180
Maine Community College System Scholarship Programs	\$1,629,926	\$1,665,548	\$2,551,681	\$2,370,833	\$2,388,614	\$2,406,528
Fund to Supplement Harness Racing Purses	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
Sire Stakes Fund	\$543,309	\$555,183	\$850,560	\$790,278	\$796,205	\$802,176
County in which casino is located	\$666,493	\$623,581	\$1,021,370	\$954,371	\$960,708	\$967,090
Maine Dairy Farm Stabilization Fund	\$271,654	\$277,591	\$425,280	\$395,139	\$398,102	\$401,088
Dairy Improvement Fund	\$271,654	\$277,591	\$425,280	\$395,139	\$398,102	\$401,088
<b>Subtotal - Other Special Revenue Funds</b>	<b>\$25,531,546</b>	<b>\$25,165,545</b>	<b>\$39,505,390</b>	<b>\$36,805,750</b>	<b>\$37,067,180</b>	<b>\$37,330,532</b>

## Milk Handling Fee and Transfer to Maine Milk Pool

### HANDLING FEE INCOME

	<b>FY22</b>	<b>FY22</b>	<b>FY23</b>	<b>FY23</b>
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.54	\$140,102	\$22.66	\$92,047
July	\$20.67	\$73,478	\$22.61	\$92,047
August	\$20.15	\$147,845	\$22.64	\$92,047
Sept.	\$19.84	\$238,401	\$22.65	\$92,047
Oct.	\$20.33	\$148,138	\$22.62	\$92,047
Nov.	\$21.23	\$72,474	\$22.64	\$92,047
Dec.	\$22.42	\$92,047	\$22.51	\$92,047
Jan.	\$22.96	\$92,047	\$22.39	\$92,047
Feb.	\$21.97	\$92,047	\$22.24	\$92,047
March	\$22.46	\$92,047	\$21.97	\$92,047
April	\$22.68	\$92,047	\$21.50	\$92,047
May	\$22.71	\$92,047	\$21.50	\$92,047
		<b>\$1,372,720</b>		<b>\$1,104,564</b>

### TIER PROGRAM PAYMENTS

		Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
<b>FY22</b>	Jun-21	\$18.50	\$0.00	\$0.28	\$2.17	48,495,805	\$1,052,780
	Jul-21	\$18.06	\$0.00	\$0.31	\$2.22	48,719,251	\$1,082,613
	Aug-21	\$17.66	\$0.00	\$0.31	\$2.21	46,716,158	\$1,034,476
	Sep-21	\$17.96	\$0.00	\$0.32	\$1.66	44,727,689	\$742,987
	Oct-21	\$18.48	\$0.00	\$0.30	\$1.07	45,602,733	\$488,327
	Nov-21	\$19.54	\$0.00	\$0.30	\$0.88	43,725,988	\$172,967
	Dec-21	\$20.49	\$0.00	\$0.30	\$0.06	45,592,130	\$26,473
	Jan-22	\$22.74	\$0.00	\$0.30	\$0.00	46,245,147	\$0
	Feb-22	\$24.05	\$0.00	\$0.30	\$0.00	4,402,516	\$0
	Mar-22	\$24.82	\$0.00	\$0.30	\$0.00	48,079,732	\$0
	Apr-22	\$24.96	\$0.00	\$0.30	\$0.00	47,159,622	\$0
	May-22	\$24.63	\$0.00	\$0.30	\$0.00	48,066,730	\$0
						<b>FY22 Exp</b>	<b>\$4,600,622</b>
						.5% of net slot income from Oxford Casino	\$425,280
						<b>Net GF Exp</b>	<b>\$4,175,342</b>

		Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
<b>FY23</b>	Jun-23	\$20.90	\$0.00	\$0.30	\$0.00	48,495,805	\$0
	Jul-23	\$20.22	\$0.00	\$0.30	\$0.37	48,719,251	\$181,994
	Aug-23	\$20.26	\$0.00	\$0.30	\$0.27	46,716,158	\$125,267
	Sep-23	\$20.30	\$0.00	\$0.30	\$0.22	46,925,915	\$102,276
	Oct-23	\$20.33	\$0.00	\$0.30	\$0.19	47,714,020	\$91,074
	Nov-23	\$20.21	\$0.00	\$0.30	\$0.22	46,143,993	\$101,560
	Dec-23	\$20.05	\$0.00	\$0.30	\$0.26	48,222,752	\$127,166
	Jan-24	\$19.85	\$0.00	\$0.30	\$0.37	49,551,398	\$183,959
	Feb-24	\$19.81	\$0.00	\$0.30	\$0.38	45,025,106	\$169,957
	Mar-24	\$19.67	\$0.00	\$0.30	\$0.44	50,079,732	\$218,749
	Apr-24	\$19.50	\$0.00	\$0.30	\$0.52	49,159,622	\$253,338
	May-24	\$19.50	\$0.00	\$0.30	\$0.48	51,066,730	\$245,336
						<b>FY23 Exp</b>	<b>\$1,800,676</b>
						.5% of net slot income from Oxford Casino	\$395,139
						<b>Net GF Exp</b>	<b>\$1,405,537</b>

## Milk Handling Fee and Transfer to Maine Milk Pool

### HANDLING FEE INCOME

	<b>FY24</b>	<b>FY24</b>	<b>FY24</b>	<b>FY25</b>
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$23.41	\$92,047	\$21.50	\$92,047
July	\$21.50	\$92,047	\$21.50	\$92,047
August	\$21.50	\$92,047	\$21.50	\$92,047
Sept.	\$21.50	\$92,047	\$21.50	\$92,047
Oct.	\$21.50	\$92,047	\$21.50	\$92,047
Nov.	\$21.50	\$92,047	\$21.50	\$92,047
Dec.	\$21.50	\$92,047	\$21.50	\$92,047
Jan.	\$21.50	\$92,047	\$21.50	\$92,047
Feb.	\$21.50	\$92,047	\$21.50	\$92,047
March	\$21.50	\$92,047	\$21.50	\$92,047
April	\$21.50	\$92,047	\$21.50	\$92,047
May	\$21.50	\$92,047	\$21.50	\$92,047
		<b>\$1,104,564</b>		<b>\$1,104,564</b>

### TIER PROGRAM PAYMENTS

<b>FY24</b>	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.50	\$0.00	\$0.30	\$0.73	526,753,752	4,176,688
					<b>FY24 Exp</b>	<b>\$4,176,688</b>
					.5% of net slot income from Oxford Casino	\$ 398,102
					<b>Net GF Exp</b>	<b>\$3,778,586</b>

<b>FY25</b>	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.50	\$0.00	\$0.29	\$0.55	575,622,256	3,170,793
					<b>FY25 Exp</b>	<b>\$3,170,793</b>
					.5% of net slot income from Oxford Casino	\$401,088
					<b>Net GF Exp</b>	<b>\$2,769,705</b>

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

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

Maine Dept. of Agriculture, Conservation & Forestry Maine Milk Commission  
Adjusted by OFPR to include Oxford Casino slot income.

## Medicaid/MaineCare Dedicated Revenue Taxes Detail - March 2022 Revenue Forecast

			FY 2017	2016-2017	FY 2018	2017-2018	FY 2019	2018-2019	FY 2020	2019-2020	FY 2021	2020-2021	FY 2022	FY 2022	FY 2022	2021-2022
New Approp	REV SHORT TITLE	REV SRC	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Rev. Est. Dec-21	Req. Chg. Mar-22	Rev. Est. Mar-22	% 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%	38,214,675	-12.0%	41,221,877	(2,000,000)	39,221,877	2.6%
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%	2,336,341	13.3%	2,306,289	-	2,306,289	-1.3%
01410AZ21057	RES TRMT FACILITIES TAX	0671	58,705	-5.8%	61,404	4.6%	60,153	-2.0%	65,649	9.1%	60,626	-7.7%	65,160	-	65,160	7.5%
01410AZ21254	RES TRMT FACILITIES TAX	0671	102,932	-0.7%	110,852	7.7%	109,027	-1.6%	122,693	12.5%	140,993	14.9%	151,307	-	151,307	7.3%
Subtotal	RTF Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,522,756	-	2,522,756	-0.6%
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%	115,888,153	0.4%	127,706,538	-	127,706,538	10.2%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	730,857	13.2%	759,814	4.0%	793,987	4.5%	767,968	-3.3%	655,253	-14.7%	732,205	(175,869)	556,336	-15.1%
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%	24,877,236	-1.5%	25,832,019	96,436	25,928,455	4.2%
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%	5,907,990	90.3%	6,116,070	(1,094,859)	5,021,211	-15.0%
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%	3,319,023	1.2%	3,777,781	-	3,777,781	13.8%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	785,368	13.2%	816,485	4.0%	853,207	4.5%	819,676	-3.9%	200,278	-75.6%	210,870	(48,347)	162,523	-18.9%
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%	16,620,835	-15.9%	17,570,677	-	17,570,677	5.7%
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%	51,580,615	-2.7%	54,239,622	(1,222,639)	53,016,983	2.8%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	214,138,364	12.7%	208,221,403	-2.8%	225,690,793	(3,222,639)	222,468,154	6.8%
	Nursing Home Tax		36,162,788	-2.5%	33,755,577	-6.7%	34,999,161	3.7%	43,432,833	24.1%	38,214,675	-12.0%	41,221,877	(2,000,000)	39,221,877	2.6%
	RTF's Tax		1,939,129	-3.3%	2,078,079	7.2%	2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,522,756	-	2,522,756	-0.6%
	Hospital Tax		95,028,525	-0.3%	103,355,698	8.8%	102,503,718	-0.8%	115,464,903	12.6%	115,888,153	0.4%	127,706,538	-	127,706,538	10.2%
	Service Provider (PNMI) Tax		43,710,762	8.9%	45,960,421	5.1%	50,424,722	9.7%	52,990,306	5.1%	51,580,615	-2.7%	54,239,622	(1,222,639)	53,016,983	2.8%
			176,841,205	1.3%	185,149,775	4.7%	189,983,107	2.6%	214,138,364	12.7%	208,221,403	-2.8%	225,690,793	(3,222,639)	222,468,154	6.8%

## Medicaid/MaineCare Dedicated Revenue Taxes Detail - March 2022 Revenue Forecast

			FY 2023	FY 2023	FY 2023	2022-2023	FY 2024	FY 2024	FY 2024	2023-2024	FY 2025	FY 2025	FY 2025	2024-2025
New Approp	REV SHORT TITLE	REV SRC	Rev. Est. Dec-21	Req. Chg. Mar-22	Rev. Est. Mar-22	% Chg.	Rev. Est. Dec-21	Req. Chg. Mar-22	Rev. Est. Mar-22	% Chg.	Rev. Est. Dec-21	Req. Chg. Mar-22	Rev. Est. Mar-22	% Chg.
01410A014802	NURS NG FAC LITIES-NF TAX	0670	43,144,150	-	43,144,150	10.0%	43,144,150	-	43,144,150	0.0%	43,144,150	-	43,144,150	0.0%
01410AZ19753	RES TRMT FAC LITIES TAX	0671	441,289	-	441,289	-80.9%	441,289	-	441,289	0.0%	441,289	-	441,289	0.0%
01410AZ21057	RES TRMT FAC LITIES TAX	0671	8,160	-	8,160	-87.5%	8,160	-	8,160	0.0%	8,160	-	8,160	0.0%
01410AZ21254	RES TRMT FAC LITIES TAX	0671	46,307	-	46,307	-69.4%	46,307	-	46,307	0.0%	46,307	-	46,307	0.0%
Subtotal	RTF Tax		495,756	-	495,756	-80.3%	495,756	-	495,756	0.0%	495,756	-	495,756	0.0%
01410A014704	MEDICAL CARE- HOSPITAL TAX	1913	127,706,538	-	127,706,538	0.0%	127,706,538	-	127,706,538	0.0%	127,706,538	-	127,706,538	0.0%
01410AZ21050	MED MATCH MR- PNMI TAX	0675	828,101	-	828,101	48.8%	828,101	-	828,101	0.0%	828,101	-	828,101	0.0%
01410AZ21052	MED MATCH MR- SERV PROV TAX	0675	30,927,002	-	30,927,002	19.3%	30,927,002	-	30,927,002	0.0%	30,927,002	-	30,927,002	0.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,086,070	-	3,086,070	-38.5%	3,086,070	-	3,086,070	0.0%	3,086,070	-	3,086,070	0.0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	1,264,744	-	1,264,744	-66.5%	1,264,744	-	1,264,744	0.0%	1,264,744	-	1,264,744	0.0%
01410AZ20241	MEDICAID SEED- PNMI TAX	0675	-	-	-	-100.0%	-	-	-	NA	-	-	-	NA
01410A014701	MEDICAL CARE SERVICES	0675	23,611,929	-	23,611,929	34.4%	23,611,929	-	23,611,929	0.0%	23,611,929	-	23,611,929	0.0%
Subtotal	Service Provider (PNMI) Tax		59,717,846	-	59,717,846	12.6%	59,717,846	-	59,717,846	0.0%	59,717,846	-	59,717,846	0.0%
			231,064,290	-	231,064,290	3.9%	231,064,290	-	231,064,290	0.0%	231,064,290	-	231,064,290	0.0%
	Nursing Home Tax		43,144,150	-	43,144,150	10.0%	43,144,150	-	43,144,150	0.0%	43,144,150	-	43,144,150	0.0%
	RTF's Tax		495,756	-	495,756	-80.3%	495,756	-	495,756	0.0%	495,756	-	495,756	0.0%
	Hospital Tax		127,706,538	-	127,706,538	0.0%	127,706,538	-	127,706,538	0.0%	127,706,538	-	127,706,538	0.0%
	Service Provider (PNMI) Tax		59,717,846	-	59,717,846	12.6%	59,717,846	-	59,717,846	0.0%	59,717,846	-	59,717,846	0.0%
			231,064,290	-	231,064,290	3.9%	231,064,290	-	231,064,290	0.0%	231,064,290	-	231,064,290	0.0%