

# MAINE STATE LEGISLATURE

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

**December 2023**



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# **Report of the Maine State Revenue Forecasting Committee December 2023 Forecast**

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## **Introduction**

The Revenue Forecasting Committee (RFC) met on November 28, 2023 to review and update the revenue forecast to comply with its statutory reporting date of December 1<sup>st</sup>. The RFC revised its revenue projections through the fiscal year ending June 30, 2027 for the General Fund, Highway Fund, Fund for a Healthy Maine and MaineCare Dedicated Revenue Taxes.

## **Economic Forecast**

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 23, 2023, to review and revise its forecast through 2027.

The CEFC noted ongoing heightened uncertainty in economic conditions in the near-term, especially regarding geo-political upheaval, but did not anticipate a recession in its forecast. The Commission expected that higher demand for labor will continue to draw enough workers into Maine in the coming years to offset retirements from the Baby Boom generation. However, the Commission recognized that access to housing may hamper growth in the coming years. High inflation and interest rates have continued into 2023, and the CEFC noted that the Federal Reserve is expected to continue pursuing policies that will constrain inflation, but inflation risks are likely to take several years to fully ease. Inflation and interest rates, demographic changes, access to housing and a tight labor market were among the key risks to continued economic growth that the CEFC considered as it revised its forecasts.

The Commission left its nonfarm employment forecast unchanged for all years. The Commission's assumption is that demographic changes will be offset by continued increases in employment of older workers and increased migration to the state. The forecast anticipates that employment will continue to grow through 2027 to 656,100 with slower increases as 2027 approaches.

This forecast reflects revised personal income data for 2022 released by the U.S. Bureau of Economic Activity on September 29. Total personal income growth in 2022 was 3.9%, up from the preliminary estimate of 2.6%. The Commission revised its forecast for total personal income growth in 2023 up from 5.2% to 5.9%. The forecasts for total personal income for years 2024 through 2027 were revised downward from 4.9% to 4.5% in 2024, 4.5% to 4.3% in 2025, 4.6% to 4.4% in 2026, and 4.7% to 4.4% in 2027. These revisions largely reflect upward revisions to wage and salary income in 2023 and downward revisions to personal current transfer receipts in all years. Details of these categories are provided below.

Wage and salary income, the largest component of personal income, increased by 8.5% in 2022, just under the preliminary estimate of 8.6%. The Commission revised its forecast for 2023 up to 7.5% from 6.0% based on data from the Maine Department of Labor and Maine Revenue Services for the first half of 2023. The rest of the forecast remained unchanged.

Supplements to wages and salaries increased by 4.4% in 2022, lower than the previously estimated increase of 5.5%. The Commission revised its forecast down to 3.5% for 2023, 2024, and 2025 (from 5.5%, 5.0% and 4.0%, respectively) and left the remaining years unchanged.

Growth in nonfarm proprietor's income was 6.2% in 2022, higher than the preliminary estimate of 3.8%. The Commission revised its forecast upwards for 2023, 2024, and 2025, going from 2.0% to 3.8% in 2023, 2.5% to 3.0% in 2024, and 2.8% to 3.0% in 2025. The rest of the forecast remained unchanged.

Dividends, interest, and rent (DIR) increased 7.6% in 2022, higher than the 5.0% preliminary estimate. The Commission revised its forecast up for 2023 from 5.0% to 6.5%. The Commission left the rest of the forecast unchanged.

Personal current transfer receipts decreased by 5.8% in 2022, up from a preliminary estimate of -9.2%. Downward revisions were made for all forecast years (2023-2027), from 5.0%, 5.0%, 6.0%, 6.0%, and 6.0% to 3.5%, 3.5%, 5.0%, 5.0%, and 5.0%, respectively.

The Commission revised its forecast for inflation using the Consumer Price Index (CPI) down in all years, going from 5.8% to 4.1% in 2023, 4.0% to 3.2% in 2024, 3.5% to 2.7% in 2025, 3.5 to 2.7% in 2026, and 2.7% from 3.0% in 2027. These revisions were made based on the year-to-date CPI data and to better align with the Moody's Analytics and S&P forecasts for these years.

Corporate profits increased 8.4% in 2022, up from the preliminary estimate of 6.6%. The Commission revised its forecast for 2024- 2027 to better align with the S&P and Moody's Analytics forecasts for these years. These revisions include going from 5.0% to -1.0% in 2024, 5.0% to 0.5% in 2025, 5.0% to 3.0% in 2026, and 5.0% to 3.0% in 2027. The forecast for 2023 was unchanged.

## Summary of Revenue Forecast

The economic variables in the CEFC forecast play a prominent role in the revenue forecast. Maine Revenue Services' Office of Tax Policy (MRS/OTP) tax models use the CEFC economic variables to help project revenue from the major taxes. Data related to non-tax revenue lines were provided by a number of different state agencies and reviewed by staff in the Office of Fiscal and Program Review and the Bureau of the Budget to come up with consensus recommendations. The RFC reviewed MRS/OTP and other staff recommendations at its meeting on November 28, 2023 and agreed to those recommendations. The following tables and narratives highlight the final changes to each of the major funds and revenue sources approved by the RFC as part of its December 2023 update to the revenue forecast. More detail on each of the funds and revenue sources is provided in the various appendices included in this report.

### General Fund Summary

	FY23	FY24	FY25	FY26	FY27
Current Forecast	\$5,379,492,013	\$5,110,178,531	\$5,185,737,630	\$5,302,662,217	\$5,481,454,883
Annual % Growth	-0.2%	-5.0%	1.5%	2.3%	3.4%
Net Increase (Decrease)	\$0	\$139,344,867	\$125,270,665	\$118,529,423	\$138,017,510
Revised Forecast	\$5,379,492,013	\$5,249,523,398	\$5,311,008,295	\$5,421,191,639	\$5,619,472,393
Annual % Growth	-0.2%	-2.4%	1.2%	2.1%	3.7%

**General Fund** revenue estimates are revised upward by \$139.3 million for FY24 and by \$125.3 million for FY25 for a total increase of \$264.6 million (2.6%) for the 2024-2025 biennium. The resulting forecasted rate of year-over-year change in General Fund revenue for FY24 is now a 2.4% decrease from FY23 final revenue amounts, followed by a 1.2% increase for FY25. It is important to note the residual decrease in estimated FY24 General Fund revenue from FY23 final amounts is largely the result of the newly enacted automotive sales tax transfer included in the 2024-2025 Highway Fund Budget (PL 2023, c. 189, Part I) that transfers \$107.5 million from the General Fund to the Highway Fund in FY24. The December 2023 forecast also revises revenue estimates upward by \$256.5 million (2.4%) for the 2026-2027 biennium, with a forecasted rate of year-over-year growth of 2.1% for FY26 and 3.7% for FY27.

The increases in General Fund revenue during the forecast period primarily result from income and sales and use taxes. These and other major General Fund revenue changes are summarized below.

**Individual Income Tax Revenue** estimates are revised upward by \$41.6 million for FY24, \$75.5 million for FY25, \$81.6 million for FY26 and \$104.5 million for FY27. In the November 1<sup>st</sup> report, the CEFC increased its wage and salary growth forecast for 2023 from 6.0 percent to 7.5 percent but kept growth rates the same for 2024-2027. The increase in 2023 wage and salary growth is estimated to increase tax year 2023 individual income liability by \$35.4 million. The higher base for wages and salaries in 2023 results in forecasted annual increases in individual income tax liability of \$37.4 million in tax year 2024 and rising to approximately \$43.0 million in tax year 2027. In addition, the CEFC lowered its inflation forecast for the forecast period, which is estimated to increase individual income tax receipts because lower inflation reduces inflation adjustments to numerous individual income tax provisions (e.g., standard deduction amounts, personal exemption amount, tax brackets, etc.). The December revenue forecast assumes the CEFC lower inflation forecast will add \$12.2 million to tax year 2024 liability, \$38.6 million to tax year 2025 liability, \$28.0 million to tax year 2026 liability and \$59.2 million to tax year 2027 liability. Finally, the forecast of nonresident individual income tax liability is increased through the forecast period based on tax year 2022 tax filings. For the first time since the start of the pandemic unearned income such as capital gains and business income have little impact on the new individual income tax forecast.

**Sales and Use Tax Revenue** estimates are revised upward by \$57.4 million for FY24, \$43.2 million for FY25, \$46.7 million for FY26 and \$52.8 million for FY27. The fiscal year adjustments to the sale and use tax forecast reflect resiliency in consumer spending as reflected in a positive budget variance of \$47.9 million through the first four months of FY24. While sales tax revenue growth has clearly moderated, growth has been consistently stronger than was forecasted in May. Lower inflation, higher personal income, and lower personal saving in the new CEFC forecast imply continuing, though modest, growth in real spending. The recent trend of consumers shifting their spending back to services, most of which are not taxed, is expected to continue with the percentage of personal consumption expenditures on services forecasted to return to its pre-pandemic level by early 2025.

**Corporate Income Tax Revenue** estimates are revised upward by \$20 million for FY24, are unchanged for FY25, but are revised downward by \$10.7 million for FY26 and \$14.3 million for FY27. Corporate income tax receipts continue to perform above budget, but the positive variance has narrowed considerably. Through October, corporate income tax revenue is \$7.5 million (6.5 percent) over budget for FY24 to date. Based on tax year 2022 tax returns filed on extension in October, corporate income tax liability for tax year 2022 is now estimated to increase by 30 percent over tax year 2021. While the much stronger 2022 liability growth reduces the concern the RFC had in May regarding corporate tax payments far exceeding liability, that concern remains, albeit at a lower level of risk. The downward adjustments to the forecast in FY26 and FY27 reflect a lower CEFC forecast of the growth in pre-tax corporate profits.

Other notable adjustments to General Fund revenue lines include:

- **Cigarette Tax and Other Tobacco Taxes.** The forecast assumes a net negative adjustment for cigarette and other tobacco taxes revenue of \$3.4 million in FY24, \$6.0 million in FY25 and \$11.7 million for the 2026-2027 biennium. These adjustments are primarily the result of assumed decreases in adult-use cannabis excise tax revenue of \$3.8 million in FY24, \$4.3 million in FY25 and \$11.7 million for the 2026-2027 biennium.
- **Estate Tax.** The forecast for estate taxes assumes a decrease of \$1.8 million in FY24 and then increases of \$5.2 million per year for FY25 and FY26 and \$5.1 million for FY27. The decrease for FY24 reflects actual collections to date through October 2023. Forecasted increases after FY24 are

based on stronger household net worth and lower estimated exemption amounts because of the lower CEFC inflation forecast.

- **Adult-Use Cannabis Sales Tax.** The sales and use tax forecast above assumes gross adult-use cannabis sales tax revenue of \$24.5 million in FY24, \$30.1 million in FY25, \$34.5 million in FY26 and \$38.7 million in FY27. These estimates are gross amounts before transfers to the Local Government Fund and to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to the latter fund based on adult-use cannabis sales tax revenue are included in Other Revenue below and are estimated to be \$2.9 million in FY24, \$3.6 million in FY25, \$4.1 million in FY26 and \$4.6 million in FY27. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063). The adult-use cannabis sales tax revenue estimates included here do not include the General Fund revenue from the sales tax on medical cannabis sales.
- **Adult-Use Cannabis Excise Tax.** The cigarette and tobacco taxes forecast above assumes gross cannabis excise tax revenue of \$14.8 million in FY24, \$17.3 million in FY25, \$19.5 million in FY26 and \$21.7 million in FY27. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund based on adult-use cannabis excise tax revenue are included in Other Revenue and are estimated to be \$1.7 million in FY24, \$2.0 million in FY25, \$2.3 million in FY26 and \$2.6 million in FY27. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063).
- **Insurance Companies Tax.** The forecast assumes an increase of \$4.0 million for FY24, \$5.7 million for FY24 and \$11.2 million for the 2026-2027 biennium. These increases are based on forecasted growth in Maine personal consumption expenditures (PCE) for financial services and insurance for calendar years 2023 and 2024.
- **Transfer to Municipal Revenue Sharing.** Reflecting the net changes in sales and income taxes previously discussed, municipal revenue sharing transfers are forecasted to increase (a net decrease in General Fund revenue) by \$8.6 million in FY24, \$6.5 million in FY25 and \$14.8 million for the 2026-2027 biennium.
- **Municipal Business Equipment Tax Exemption (“BETE”) program.** The forecast for revenue transferred under the BETE program for FY24 is decreased (positive impact on the General Fund) by \$2.8 million for FY24, \$3.0 million for FY25 and \$6.4 million for the 2026-2027 biennium based on a slowing in the increase in BETE reimbursement requests in property tax years 2022 and 2023.
- **Transfer from the Lottery Commission.** The forecast for transfers to the General Fund from the Lottery Commission are revised upward by \$3.0 million for FY24 based on actual FY24 revenue collected to date. Out-year estimates are unchanged.
- **Income from Investments.** General Fund income from investments is forecast to increase by \$23.0 million in FY24, \$8.9 million in FY25 and by \$12.8 million for the 2026-2027 biennium. These increases are largely the result of increased fund balance assumptions and higher cash pool interest rate assumptions.
- **Highway Fund Sales Tax Transfer.** The newly enacted automotive sales tax transfer from the General Fund to the Highway Fund included in the 2024-2025 Highway Fund Budget (PL 2023, c. 189, Part I) is forecasted to increase by \$5.7 million in FY24, \$11.3 million for FY25 and by \$25.4 million for the 2026-2027 biennium.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is decreased by \$0.9 million in FY24, by \$0.3 million and then increased by \$0.1 million over the 2026-2027 biennium based on recent revenue collection experience.
- **Other Taxes and Fees – Casino Revenue.** General Fund casino revenue is estimated to increase by \$0.2 million in FY24 and by \$0.4 million per year for FY25 through FY27. The forecast

incorporates individual growth rates for each facility (i.e., Hollywood Casino Bangor and Oxford Casino) and device and reflects historical growth/loss trends. The change in this revenue line between the May and December RFC forecasts also reflects moving revenue from sports betting to a new revenue line (see discussion below) and a downward adjustment of anticipated revenue from new advanced deposit wagering activities authorized in P.L. 2023, c.440.

- **Other Taxes and Fees - Milk Handling Fee/Transfer to Maine Milk Pool.** The forecast for revenue from the milk handling fee is adjusted downward by modest amounts, reflecting decreased production. The forecast for transfers to the milk pool is adjusted downward (positive impact on General Fund) by \$1.2 million in FY24 due to an increase in the federal blend price, triggering lower tier support payments. The FY24 adjustment also reflects a slight decrease in overall production, which resulted in fewer farms receiving support payments. The forecast for transfers to the milk pool is also adjusted downward by \$3.7 million for FY25 (positive impact on the General Fund) and by \$0.9 million for the 2026-2027 biennium. The forecast adjustments reflect a holding of the federal blend price with slightly lower tier support payments and also incorporates an assumption of an overall decrease in total milk production for Maine, due to farms exiting the dairy market.
- **Other Taxes and Fees – Other Miscellaneous Taxes and Fees - Sports Betting.** Sports betting activities authorized by P.L 2021, c.681 began in November 2023. The budgeted revenue estimate has been adjusted based on actual revenue collected to date and expected market growth. The updated forecast estimates an increase in General Fund revenue of \$1.96 million in FY24, \$4.0 million in FY25, \$4.1 million in FY26 and \$4.2 million in FY27.
- **Other Revenue. Unclaimed Property Transfer.** The forecast for unclaimed property transfers is increased by \$13.8 million in FY24 and by \$1.0 million in FY25 primarily as a result of unclaimed State relief payments from the \$285 disaster relief checks in 2021, the \$850 pandemic relief checks in 2022 and the \$450 winter relief checks in 2023.

### Highway Fund Summary

	FY23	FY24	FY25	FY26	FY27
Current Forecast	\$349,536,401	\$489,713,575	\$493,177,367	\$494,437,014	\$495,917,823
Annual % Growth	1.4%	40.1%	0.7%	0.3%	0.3%
Net Increase (Decrease)	\$0	\$81,943	\$1,242,576	(\$537,505)	(\$3,349,790)
Revised Forecast	\$349,536,401	\$489,795,518	\$494,419,943	\$493,899,509	\$492,568,033
Annual % Growth	1.4%	40.1%	0.9%	-0.1%	-0.3%

**Highway Fund** revenue estimates are revised upward by \$0.1 million for FY24 and by \$1.2 million for FY25 for a total increase of \$1.3 million (0.1%) for the 2024-2025 biennium. The forecasted rate of year-over-year change in Highway Fund revenue for FY24 is 40.1% from FY23 final revenue amounts, followed by 0.9% for FY25. It is important to note the residual increase in estimated FY24 Highway Fund revenue from FY23 final amounts is largely the result of the newly enacted automotive sales tax transfer included in the 2024-2025 Highway Fund Budget (PL 2023, c. 189, Part I) that transferred \$107.5 million from the General Fund to the Highway Fund in FY24. The December 2023 forecast also revises 2026-2027 biennium revenue estimates downward by \$3.9 million (0.4%) for the biennium, with a resulting forecasted rate of year-over-year decreases of 0.1% for FY26 and 0.3% for FY27. The Highway Fund revenue forecast changes are the result of decreases in overall motor fuels revenue partially offset by forecasted increases in motor vehicle registration and fees and other highway fund revenue lines including an increase in the estimate for the automotive sales tax transfer from the General Fund.

### Fund for a Healthy Maine Summary

	FY23	FY24	FY25	FY26	FY27
Current Forecast	\$57,654,337	\$40,831,184	\$37,950,343	\$37,823,906	\$37,756,069
Annual % Growth	5.3%	-29.2%	-7.1%	-0.3%	-0.2%
Net Increase (Decrease)	\$0	(\$2,218,626)	(\$1,349,257)	(\$2,387,844)	(\$2,567,683)
Revised Forecast	\$57,654,337	\$38,612,558	\$36,601,086	\$35,436,062	\$35,188,386
Annual % Growth	5.3%	-33.0%	-5.2%	-3.2%	-0.7%

**Fund for a Healthy Maine (FHM)** revenue estimates are revised downward by \$2.2 million for FY24, by \$1.3 million for FY25, by \$2.4 million for FY26 and by \$2.6 million for FY27. FHM revenue primarily derives from the State’s annual Tobacco Settlement Payment (TSP). The RFC forecast for the TSP is based on the latest forecast from the National Association of Attorneys General (NAAG). The estimates for the TSP have been updated based on the most recent NAAG forecast, from August of 2023, which accounted for the decreases in all years for the December forecast. As in previous RFC forecasts, the budgeted TSP estimates assume that a portion of the payments will be withheld and placed in an escrow account until the Office of the Attorney General is able to settle that year’s payments with the participating manufacturers. These funds are budgeted to be withheld in all years of the forecast. Without this assumed withholding, the estimates would increase by an estimated \$13.2 million in FY24, \$11.7 million in FY25, and \$10.6 million in both FY26 and FY27.

The FHM share of casino revenue is revised downward by \$0.1 million for FY24 but upward by \$0.2 million per year for FY25, FY26 and FY27 consistent with the changes in the overall forecast for Hollywood Casino Bangor revenue. The FHM forecast is also revised upward by \$0.8 for FY24, \$0.5 for FY25, \$0.4 million for FY26 and \$0.3 for FY27 for changes from interest income consistent with the changes in the overall forecast for income from investments.

### Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY23	FY24	FY25	FY26	FY27
Current Forecast	\$227,847,296	\$229,313,634	\$204,156,918	\$204,156,918	\$204,156,917
Annual % Growth	3.4%	0.6%	-11.0%	0.0%	0.0%
Net Increase (Decrease)	\$0	\$2,923,372	\$1,967,611	(\$35,585,406)	(\$35,585,406)
Revised Forecast	\$227,847,296	\$232,237,006	\$206,124,529	\$168,571,512	\$168,571,511
Annual % Growth	3.4%	1.9%	-11.2%	-18.2%	0.0%

**Medicaid/MaineCare Dedicated** revenue estimates are revised upward by \$2.9 million for FY24 and by \$2.0 million for FY25 but downward by \$35.6 million for both FY26 and for FY27. The upward adjustments in FY24 and FY25 include increases in the forecast for nursing facility tax revenue, residential treatment facility tax revenue and service provider tax revenue. These adjustments are based on actual experience through October of FY24 with the implementation of multiple legislative changes that affected provider revenue. The downward adjustments in FY26 and FY27 result from a legislative change that eliminated health care services from the service provider tax under the Maine Revised Statutes, Title 36, section 2552, effective January 1, 2025. The fiscal impact of this legislative change for the 2024-2025 biennium is already reflected in the “current forecast” above. The downward revenue adjustments of \$35.6 million from the current forecast to the revised forecast in both FY26 and FY27 reflect the impact of this legislative change through the 2026-2027 biennium.

## **Conclusion**

In its November report the CEFC noted there is "ongoing heightened uncertainty in economic conditions in the near-term, especially regarding geo-political upheaval, but does not anticipate a recession in its forecast." The CEFC further noted that "inflation and interest rates, demographic changes, access to housing and a tight labor market were among the key risks to continued economic growth". This revenue forecast is based on those CEFC economic assumptions that are heavily influenced by these uncertainties. The RFC would like to highlight that while this revenue forecast increases General Fund revenues by approximately \$130 million per year, the continued transition to a post-COVID economy and recently enacted tax changes result in declining or weak revenue growth forecasted over the FY24-26 fiscal years. Depending on how the known risks listed above, and more importantly unknown events, unfold in 2024 this revenue forecast could prove to be overly optimistic or pessimistic. Both the CEFC and RFC will continue to monitor the situation over the coming months in preparation for their required February 2024 and March 2024 reports.



## **Appendix A**

# **General Fund Summary Table**

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	FY23 Variance	% Var.
Sales and Use Tax <sup>1</sup>	1,503,771,784	5.6%	1,555,713,076	3.5%	1,804,226,077	16.0%	2,078,875,746	15.2%	2,173,045,809	4.5%	2,166,719,346	6,326,463	0.3%
Service Provider Tax	59,012,956	-1.0%	58,012,511	-1.7%	51,350,442	-11.5%	51,328,641	0.0%	51,464,619	0.3%	52,062,521	(597,902)	-1.1%
Individual Income Tax	1,701,005,768	6.6%	1,835,972,805	7.9%	2,069,715,593	12.7%	2,580,679,731	24.7%	2,473,478,947	-4.2%	2,430,727,867	42,751,080	1.8%
Corporate Income Tax	252,866,884	36.1%	216,131,489	-14.5%	284,316,774	31.5%	415,817,438	46.3%	451,211,056	8.5%	395,188,199	56,022,857	14.2%
Cigarette and Tobacco Tax <sup>2</sup>	125,977,694	-5.2%	137,331,317	9.0%	147,228,383	7.2%	148,517,422	0.9%	149,909,124	0.9%	151,977,356	(2,068,232)	-1.4%
Insurance Companies Tax	77,277,183	5.2%	82,145,116	6.3%	84,462,691	2.8%	101,673,456	20.4%	114,172,706	12.3%	110,810,000	3,362,706	3.0%
Estate Tax	15,851,350	14.9%	21,079,344	33.0%	40,399,594	91.7%	34,183,165	-15.4%	30,117,577	-11.9%	31,400,000	(1,282,423)	-4.1%
Other Taxes and Fees *	150,110,769	2.9%	139,144,510	-7.3%	157,423,377	13.1%	160,123,030	1.7%	152,382,096	-4.8%	152,449,516	(67,420)	0.0%
Fines, Forfeits and Penalties	15,485,118	-15.9%	9,986,146	-35.5%	8,720,806	-12.7%	4,905,201	-43.8%	10,576,449	115.6%	8,915,186	1,661,263	18.6%
Income from Investments	12,474,570	89.0%	12,121,418	-2.8%	6,748,690	-44.3%	9,023,821	33.7%	33,812,410	274.7%	29,283,164	4,529,246	15.5%
Transfer from Lottery Commission	62,675,109	0.6%	64,589,742	3.1%	70,647,717	9.4%	71,351,415	1.0%	72,084,673	1.0%	66,500,000	5,584,673	8.4%
Liquor Operations Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
Transfers to Tax Relief Programs *	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,987,519)	-1.8%	(78,022,118)	-2.7%	(81,514,948)	-4.5%	(81,350,000)	(164,948)	-0.2%
Transfers to Municipal Rev. Sharing	(74,095,532)	-6.9%	(113,613,360)	-53.3%	(156,047,730)	-37.3%	(232,362,929)	-48.9%	(263,395,959)	-13.4%	(261,001,188)	(2,394,770)	-0.9%
Highway Fund Sales Tax Transfer	0	-100.0%	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
Other Revenue *	14,185,246	184.2%	25,367,559	78.8%	27,386,250	8.0%	45,519,551	66.2%	12,147,454	-73.3%	10,728,605	1,418,849	13.2%
<b>Total - General Fund Revenue</b>	<b>3,848,511,092</b>	<b>6.6%</b>	<b>3,969,343,702</b>	<b>3.1%</b>	<b>4,520,591,145</b>	<b>13.9%</b>	<b>5,391,613,569</b>	<b>19.3%</b>	<b>5,379,492,013</b>	<b>-0.2%</b>	<b>5,264,410,573</b>	<b>115,081,440</b>	<b>-2.4%</b>

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

1/ Includes revenue from cannabis sales. This forecast assumes gross sales tax revenue of \$24.5 million in FY24; \$30.1 million in FY25; \$34.5 million in FY26 and \$38.7 million in FY27. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue above and are estimated to be \$2.9 million in FY24; \$3.6 million in FY25; \$4.1 million in FY26 and \$4.6 million in FY27.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross excise tax revenue of \$14.8 million in FY24; \$17.3 million in FY25; \$19.5 million in FY26 and \$21.7 million in FY27. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from excise taxes are included in Other Revenue above and are estimated to be \$1.7 million in FY24; \$2.0 million in FY25; \$2.3 million in FY26 and \$2.6 million in FY27.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 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>	2,190,029,172	0.8%	57,394,679	2,247,423,851	3.4%	2,237,063,300	2.1%	43,196,225	2,280,259,525	1.5%
Service Provider Tax	49,212,224	-4.4%	(102,180)	49,110,044	-4.6%	47,741,630	-3.0%	(356,405)	47,385,225	-3.5%
Individual Income Tax	2,394,473,714	-3.2%	41,600,000	2,436,073,714	-1.5%	2,400,970,720	0.3%	75,500,000	2,476,470,720	1.7%
Corporate Income Tax	355,623,000	-21.2%	20,000,000	375,623,000	-16.8%	387,641,269	9.0%	0	387,641,269	3.2%
Cigarette and Tobacco Tax <sup>2</sup>	156,701,546	4.5%	(3,352,924)	153,348,622	2.3%	159,256,090	1.6%	(5,973,835)	153,282,255	0.0%
Insurance Companies Tax	114,490,000	0.3%	3,970,000	118,460,000	3.8%	118,470,000	3.5%	5,670,000	124,140,000	4.8%
Estate Tax	25,400,000	-15.7%	(1,800,000)	23,600,000	-21.6%	24,850,000	-2.2%	5,200,000	30,050,000	27.3%
Other Taxes and Fees *	147,242,394	-3.4%	(2,558,857)	144,683,537	-5.1%	147,228,729	0.0%	4,977,525	152,206,253	5.2%
Fines, Forfeits and Penalties	16,293,650	54.1%	(1,339,361)	14,954,289	41.4%	11,432,139	-29.8%	101,500	11,533,639	-22.9%
Income from Investments	26,939,649	-20.3%	22,951,633	49,891,282	47.6%	24,642,440	-8.5%	8,881,587	33,524,027	-32.8%
Transfer from Lottery Commission	65,000,000	-9.8%	3,000,000	68,000,000	-5.7%	65,000,000	0.0%	0	65,000,000	-4.4%
Liquor Operations Fund Transfer	7,000,000	N/A	0	7,000,000	N/A	7,000,000	0.0%	0	7,000,000	0.0%
Transfers to Tax Relief Programs *	(84,490,000)	-3.6%	2,760,000	(81,730,000)	-0.3%	(88,160,000)	-4.3%	2,950,000	(85,210,000)	-4.3%
Transfers to Municipal Rev. Sharing	(252,841,376)	4.0%	(8,588,092)	(261,429,468)	0.7%	(256,996,471)	-1.6%	(6,502,867)	(263,499,338)	-0.8%
Highway Fund Sales Tax Transfer	(101,861,600)	N/A	(5,672,628)	(107,534,228)	N/A	(104,107,200)	-2.2%	(11,275,993)	(115,383,193)	-7.3%
Other Revenue *	966,158	-92.0%	11,082,597	12,048,755	-0.8%	3,704,985	283.5%	2,902,928	6,607,913	-45.2%
<b>Total - General Fund Revenue</b>	<b>5,110,178,531</b>	<b>-5.0%</b>	<b>139,344,867</b>	<b>5,249,523,398</b>	<b>-2.4%</b>	<b>5,185,737,630</b>	<b>1.5%</b>	<b>125,270,665</b>	<b>5,311,008,295</b>	<b>1.2%</b>
								<b>264,615,532</b>		

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

1/ Includes revenue from cannabis sales. This forecast assumes gross sales tax revenue of \$24.5 million in FY24; \$30.1 million in FY25; \$34.5 million in FY26 and \$38.7 million in FY27. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue above and are estimated to be \$2.9 million in FY24; \$3.6 million in FY25; \$4.1 million in FY26 and \$4.6 million in FY27.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross excise tax revenue of \$14.8 million in FY24; \$17.3 million in FY25; \$19.5 million in FY26 and \$21.7 million in FY27. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from excise taxes are included in Other Revenue above and are estimated to be \$1.7 million in FY24; \$2.0 million in FY25; \$2.3 million in FY26 and \$2.6 million in FY27.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Sales and Use Tax <sup>1</sup>	2,273,773,823	1.6%	46,741,233	2,320,515,056	1.8%	2,320,384,146	2.0%	52,827,350	2,373,211,496	2.3%
Service Provider Tax	46,294,102	-3.0%	(350,002)	45,944,100	-3.0%	44,877,461	-3.1%	(361,216)	44,516,245	-3.1%
Individual Income Tax	2,492,829,320	3.8%	81,625,000	2,574,454,320	4.0%	2,615,751,706	4.9%	104,500,000	2,720,251,706	5.7%
Corporate Income Tax	401,895,997	3.7%	(10,650,000)	391,245,997	0.9%	422,065,831	5.0%	(14,250,000)	407,815,831	4.2%
Cigarette and Tobacco Tax <sup>2</sup>	161,181,972	1.2%	(6,000,406)	155,181,566	1.2%	162,828,190	1.0%	(5,667,725)	157,160,465	1.3%
Insurance Companies Tax	125,530,000	6.0%	5,500,000	131,030,000	5.6%	130,650,000	4.1%	5,720,000	136,370,000	4.1%
Estate Tax	25,000,000	0.6%	5,200,000	30,200,000	0.5%	25,150,000	0.6%	5,125,000	30,275,000	0.2%
Other Taxes and Fees *	134,239,174	-8.8%	4,849,416	139,088,590	-8.6%	134,777,468	0.4%	4,402,406	139,179,874	0.1%
Fines, Forfeits and Penalties	11,432,139	0.0%	101,500	11,533,639	0.0%	11,432,139	0.0%	101,500	11,533,639	0.0%
Income from Investments	17,463,237	-29.1%	8,079,101	25,542,338	-23.8%	13,773,527	-21.1%	4,684,573	18,458,100	-27.7%
Transfer from Lottery Commission	65,000,000	0.0%	0	65,000,000	0.0%	65,000,000	0.0%	0	65,000,000	0.0%
Liquor Operations Fund Transfer	7,000,000	0.0%	0	7,000,000	0.0%	7,000,000	0.0%	0	7,000,000	0.0%
Transfers to Tax Relief Programs *	(91,510,000)	-3.8%	3,130,000	(88,380,000)	-3.7%	(95,020,000)	-3.8%	3,310,000	(91,710,000)	-3.8%
Transfers to Municipal Rev. Sharing	(263,683,304)	-2.6%	(6,162,747)	(269,846,051)	-2.4%	(271,532,783)	-3.0%	(8,680,026)	(280,212,809)	-3.8%
Highway Fund Sales Tax Transfer	(104,374,400)	-0.3%	(12,555,338)	(116,929,738)	-1.3%	(104,808,000)	-0.4%	(12,879,866)	(117,687,866)	-0.6%
Other Revenue *	590,157	-84.1%	(978,334)	(388,177)	-105.9%	(874,802)	-248.2%	(814,486)	(1,689,288)	-335.2%
<b>Total - General Fund Revenue</b>	<b>5,302,662,217</b>	<b>2.3%</b>	<b>118,529,423</b>	<b>5,421,191,639</b>	<b>2.1%</b>	<b>5,481,454,883</b>	<b>3.4%</b>	<b>138,017,510</b>	<b>5,619,472,393</b>	<b>3.7%</b>
<b>Change in Biennial Totals</b>								<b>256,546,932</b>		

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

1/ Includes revenue from cannabis sales. This forecast assumes gross sales tax revenue of \$24.5 million in FY24; \$30.1 million in FY25; \$34.5 million in FY26 and \$38.7 million in FY27. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue above and are estimated to be \$2.9 million in FY24; \$3.6 million in FY25; \$4.1 million in FY26 and \$4.6 million in FY27.

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# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	FY23 Variance	% Var.
<b>Detail of Other Taxes and Fees:</b>													
- Property Tax - Unorganized Territory	13,334,138	-6.0%	12,547,461	-5.9%	13,920,825	10.9%	13,825,554	-0.7%	14,850,751	7.4%	14,813,169	37,582	0.3%
- Real Estate Transfer Tax	19,105,924	20.0%	16,501,776	-13.6%	22,091,539	33.9%	27,375,823	23.9%	22,355,888	-18.3%	22,154,300	201,588	0.9%
- Liquor Taxes and Fees	23,931,346	1.1%	20,854,729	-12.9%	22,871,027	9.7%	22,518,340	-1.5%	22,438,998	-0.4%	22,093,824	345,174	1.6%
- Corporation Fees & Licenses	10,759,676	-3.0%	11,777,263	9.5%	15,039,682	27.7%	13,011,386	-13.5%	15,251,874	17.2%	13,044,234	2,207,640	16.9%
- Telecommunications Excise Tax	6,317,492	1.5%	6,418,268	1.6%	6,724,254	4.8%	7,648,338	13.7%	6,008,429	-21.4%	6,125,000	(116,571)	-1.9%
- Finance Industry Fees	29,082,500	-0.4%	27,952,210	-3.9%	27,220,420	-2.6%	27,507,385	1.1%	27,459,560	-0.2%	26,637,100	822,460	3.1%
- Milk Handling Fee	4,848,648	-1.4%	1,676,018	-65.4%	3,880,801	131.5%	1,208,614	-68.9%	843,990	-30.2%	882,434	(38,444)	-4.4%
- Casino and Racino Revenue	8,468,389	1.2%	6,542,913	-22.7%	7,234,295	10.6%	10,360,986	43.2%	11,127,102	7.4%	12,266,972	(1,139,870)	-9.3%
- Boat, ATV and Snowmobile Fees	4,700,071	4.8%	4,970,419	5.8%	5,337,040	7.4%	5,132,630	-3.8%	4,066,591	-20.8%	4,559,561	(492,970)	-10.8%
- Hunting and Fishing License Fees	16,282,770	0.7%	16,514,289	1.4%	18,861,172	14.2%	18,278,756	-3.1%	15,563,980	-14.9%	15,991,706	(427,726)	-2.7%
- Other Miscellaneous Taxes and Fees	13,279,816	14.7%	13,389,164	0.8%	14,242,321	6.4%	13,255,218	-6.9%	12,414,935	-6.3%	13,881,216	(1,466,281)	-10.6%
Subtotal - Other Taxes and Fees	150,110,769	2.9%	139,144,510	-7.3%	157,423,377	13.1%	160,123,030	1.7%	152,382,096	-4.8%	152,449,516	(67,420)	0.0%
<b>Detail of Other Revenue:</b>													
- Liquor Sales and Operations	56,150	11.7%	55,400	-1.3%	95,910	73.1%	60,024	-37.4%	43,040	-28.3%	28,500	14,540	51.0%
- Targeted Case Management (HHS)	246,356	-59.5%	80,953	-67.1%	42,585	-47.4%	69,206	62.5%	59,861	-13.5%	57,221	2,640	4.6%
- State Cost Allocation Program	18,291,345	6.2%	24,911,989	36.2%	28,721,621	15.3%	31,753,837	10.6%	20,119,701	-36.6%	20,475,073	(355,372)	-1.7%
- Unclaimed Property Transfer	9,592,815	46.1%	10,830,298	12.9%	14,232,174	31.4%	16,290,764	14.5%	8,044,256	-50.6%	7,700,000	344,256	4.5%
- Tourism Transfer	(17,171,837)	-6.8%	(18,150,386)	-5.7%	(17,076,345)	5.9%	(15,473,162)	9.4%	(22,154,921)	-43.2%	(22,154,921)	(0)	0.0%
- Transfer to Maine Milk Pool	(15,220,840)	4.0%	(9,921,284)	34.8%	(12,438,556)	-25.4%	(4,335,131)	65.1%	(914,348)	78.9%	(959,212)	44,864	4.7%
- Transfer to Multimodal Transportatic	(9,439,886)	-6.1%	(11,138,493)	-18.0%	(9,911,067)	11.0%	(7,391,785)	25.4%	(14,767,001)	-99.8%	(14,767,001)	0	0.0%
- Transfer to Adult-Use Cannabis Func	0	N/A	0	N/A	(477,712)	N/A	(2,093,260)	-338.2%	(3,696,141)	-76.6%	(3,644,707)	(51,434)	-1.4%
- Other Miscellaneous Revenue	27,831,142	30.2%	28,699,082	3.1%	24,197,640	-15.7%	26,639,058	10.1%	25,413,006	-4.6%	23,993,652	1,419,354	5.9%
Subtotal - Other Revenue	14,185,246	184.2%	25,367,559	78.8%	27,386,250	8.0%	45,519,551	66.2%	12,147,454	-73.3%	10,728,605	1,418,849	13.2%
<b>Detail of Transfers to Tax Relief Programs:</b>													
- Maine Resident Property Tax Progra	(12,497)	-135.6%	47,546	480.5%	(15,504)	-132.6%	2,711	117.5%	(874)	-132.2%	0	(874)	N/A
- BETR - Business Equip. Tax Reimb.	(24,913,358)	16.6%	(25,490,793)	-2.3%	(21,961,345)	13.8%	(19,625,176)	10.6%	(18,666,066)	4.9%	(18,500,000)	(166,066)	-0.9%
- BETE - Municipal Bus. Equip. Tax R	(43,161,952)	-21.3%	(49,194,722)	-14.0%	(54,010,670)	-9.8%	(58,399,654)	-8.1%	(62,848,008)	-7.6%	(62,850,000)	1,992	0.0%
Subtotal - Tax Relief Transfers	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,987,519)	-1.8%	(78,022,118)	-2.7%	(81,514,948)	-4.5%	(81,350,000)	(164,948)	-0.2%
IF&W Total Revenue **	21,933,023	1.6%	22,314,353	1.7%	24,929,478	11.7%	24,370,778	-2.2%	20,696,989	-15.1%	21,514,553	(817,564)	-3.8%

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

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 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	14,881,051	0.2%	1,050,000	15,931,051	7.3%	14,883,223	0.0%	0	14,883,223	-6.6%
- Real Estate Transfer Tax	21,713,714	-2.9%	(883,652)	20,830,062	-6.8%	21,460,620	-1.2%	(334,057)	21,126,563	1.4%
- Liquor Taxes and Fees	22,093,824	-1.5%	0	22,093,824	-1.5%	22,093,824	0.0%	0	22,093,824	0.0%
- Corporation Fees & Licenses	11,413,649	-25.2%	500,000	11,913,649	-21.9%	11,413,649	0.0%	500,000	11,913,649	0.0%
- Telecommunications Excise Tax	6,300,000	4.9%	(6,200,000)	100,000	-98.3%	6,300,000	0.0%	0	6,300,000	6200.0%
- Finance Industry Fees	25,916,990	-5.6%	600,000	26,516,990	-3.4%	25,916,990	0.0%	0	25,916,990	-2.3%
- Milk Handling Fee	882,965	4.6%	(49,315)	833,650	-1.2%	882,965	0.0%	(66,965)	816,000	-2.1%
- Casino and Racino Revenue	11,315,350	1.7%	236,534	11,551,884	3.8%	11,326,992	0.1%	605,345	11,932,337	3.3%
- Boat, ATV and Snowmobile Fees	4,559,561	12.1%	0	4,559,561	12.1%	4,559,561	0.0%	0	4,559,561	0.0%
- Hunting and Fishing License Fees	15,992,906	2.8%	0	15,992,906	2.8%	15,992,906	0.0%	0	15,992,906	0.0%
- Other Miscellaneous Taxes and Fees	12,172,384	-2.0%	2,187,576	14,359,960	15.7%	12,397,999	1.9%	4,273,202	16,671,201	16.1%
Subtotal - Other Taxes and Fees	147,242,394	-3.4%	(2,558,857)	144,683,537	-5.1%	147,228,729	0.0%	4,977,525	152,206,253	5.2%
<b>Detail of Other Revenue:</b>										
- Liquor Sales and Operations	28,500	-33.8%	0	28,500	-33.8%	28,500	0.0%	0	28,500	0.0%
- Targeted Case Management (HHS)	57,221	-4.4%	7,902	65,123	8.8%	57,221	0.0%	7,902	65,123	0.0%
- State Cost Allocation Program	26,436,802	31.4%	(5,250,400)	21,186,402	5.3%	26,436,802	0.0%	0	26,436,802	24.8%
- Unclaimed Property Transfer	6,200,000	-22.9%	13,800,000	20,000,000	148.6%	5,000,000	-19.4%	1,000,000	6,000,000	-70.0%
- Tourism Transfer	(23,893,939)	-7.8%	(309,003)	(24,202,942)	-9.2%	(24,203,301)	-1.3%	(1,193,396)	(25,396,697)	-4.9%
- Transfer to Maine Milk Pool	(7,320,857)	-700.7%	1,218,002	(6,102,855)	-567.5%	(8,602,457)	-17.5%	3,767,723	(4,834,734)	20.8%
- Transfer to Multimodal Trans. Fund	(15,702,881)	-6.3%	550,954	(15,151,927)	-2.6%	(14,931,670)	4.9%	(1,601,420)	(16,533,090)	-9.1%
- Transfer to Adult-Use Cannabis Fund	(5,458,769)	-47.7%	861,785	(4,596,984)	-24.4%	(5,218,637)	4.4%	926,054	(4,292,583)	6.6%
- Other Miscellaneous Revenue	20,620,081	-18.9%	203,357	20,823,438	-18.1%	25,138,527	21.9%	(3,935)	25,134,592	20.7%
Subtotal - Other Revenue	966,158	-92.0%	11,082,597	12,048,755	-0.8%	3,704,985	283.5%	2,902,928	6,607,913	-45.2%
<b>Detail of Transfers to Tax Relief Programs:</b>										
- Maine Resident Property Tax Progran	0	100.0%	0	0	100.0%	0	N/A	0	0	N/A
- BETR - Bus. Equip. Tax Reimb.	(17,000,000)	8.9%	0	(17,000,000)	8.9%	(16,000,000)	5.9%	0	(16,000,000)	5.9%
- BETE - Mun. Bus. Equip. Tax Reimb	(67,490,000)	-7.4%	2,760,000	(64,730,000)	-3.0%	(72,160,000)	-6.9%	2,950,000	(69,210,000)	-6.9%
Subtotal - Tax Relief Transfers	(84,490,000)	-3.6%	2,760,000	(81,730,000)	-0.3%	(88,160,000)	-4.3%	2,950,000	(85,210,000)	-4.3%
IF&W Total Revenue **	21,517,423	4.0%	(13,992)	21,503,431	3.9%	21,518,895	0.0%	(18,952)	21,499,943	0.0%

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

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
<b>Detail of Other Taxes and Fees:</b>										
- Property Tax - Unorganized Territory	14,883,223	0.0%	0	14,883,223	0.0%	14,883,223	0.0%	0	14,883,223	0.0%
- Real Estate Transfer Tax	10,780,286	-49.8%	163,990	10,944,276	-48.2%	11,197,391	3.9%	(308,720)	10,888,671	-0.5%
- 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	11,413,649	0.0%	500,000	11,913,649	0.0%	11,413,649	0.0%	500,000	11,913,649	0.0%
- Telecommunications Excise Tax	6,250,000	-0.8%	50,000	6,300,000	0.0%	6,250,000	0.0%	0	6,250,000	-0.8%
- Finance Industry Fees	25,916,990	0.0%	0	25,916,990	0.0%	25,916,990	0.0%	0	25,916,990	0.0%
- Milk Handling Fee	882,965	0.0%	(66,965)	816,000	0.0%	882,965	0.0%	(66,965)	816,000	0.0%
- Casino and Racino Revenue	11,845,114	4.6%	171,221	12,016,335	0.7%	11,942,625	0.8%	151,802	12,094,427	0.6%
- 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	15,992,906	0.0%	0	15,992,906	0.0%	15,992,906	0.0%	0	15,992,906	0.0%
- Other Miscellaneous Taxes and Fees	9,620,656	-22.4%	4,031,170	13,651,826	-18.1%	9,644,334	0.2%	4,126,289	13,770,623	0.9%
Subtotal - Other Taxes and Fees	134,239,174	-8.8%	4,849,416	139,088,590	-8.6%	134,777,468	0.4%	4,402,406	139,179,874	0.1%
<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)	57,221	0.0%	7,902	65,123	0.0%	57,221	0.0%	7,902	65,123	0.0%
- State Cost Allocation Program	26,436,802	0.0%	0	26,436,802	0.0%	26,436,802	0.0%	0	26,436,802	0.0%
- Unclaimed Property Transfer	6,000,000	20.0%	0	6,000,000	0.0%	6,000,000	0.0%	0	6,000,000	0.0%
- Tourism Transfer	(24,881,636)	-2.8%	(1,072,021)	(25,953,657)	-2.2%	(25,491,198)	-2.4%	(1,104,346)	(26,595,544)	-2.5%
- Transfer to Maine Milk Pool	(11,391,499)	-32.4%	468,989	(10,922,510)	-125.9%	(11,385,599)	0.1%	470,139	(10,915,460)	0.1%
- Transfer to Multimodal Transportatic	(14,920,538)	0.1%	(1,478,735)	(16,399,273)	0.8%	(15,152,698)	-1.6%	(1,419,557)	(16,572,255)	-1.1%
- Transfer to Adult-Use Cannabis Func	(5,877,220)	-12.6%	1,099,466	(4,777,754)	-11.3%	(6,506,357)	-10.7%	1,235,311	(5,271,046)	-10.3%
- Other Miscellaneous Revenue	25,138,527	0.0%	(3,935)	25,134,592	0.0%	25,138,527	0.0%	(3,935)	25,134,592	0.0%
Subtotal - Other Revenue	590,157	-84.1%	(978,334)	(388,177)	-105.9%	(874,802)	-248.2%	(814,486)	(1,689,288)	-335.2%
<b>Detail of Transfers to Tax Relief Programs:</b>										
- Maine Resident Property Tax Progra	0	N/A	0	0	N/A	0	N/A	0	0	N/A
- BETR - Business Equip. Tax Reimb.	(15,000,000)	6.3%	0	(15,000,000)	6.3%	(14,000,000)	6.7%	0	(14,000,000)	6.7%
- BETE - Municipal Bus. Equip. Tax F	(76,510,000)	-6.0%	3,130,000	(73,380,000)	-6.0%	(81,020,000)	-5.9%	3,310,000	(77,710,000)	-5.9%
Subtotal - Tax Relief Transfers	(91,510,000)	-3.8%	3,130,000	(88,380,000)	-3.7%	(95,020,000)	-3.8%	3,310,000	(91,710,000)	-3.8%
IF&W Total Revenue **	21,520,157	0.0%	(22,827)	21,497,330	0.0%	21,521,370	0.0%	(26,819)	21,494,551	0.0%

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



## **Appendix B**

# **Highway Fund Summary Table**

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY 21 Actual	% Chg.	FY 22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	FY23 Variance	% Var.
Fuel Taxes													
- Gasoline Tax	205,925,094	-0.2%	194,181,501	-5.7%	183,413,666	-5.5%	195,535,581	6.6%	196,023,141	0.2%	202,627,527	(6,604,386)	-3.3%
- Special Fuel and Road Use Taxes	49,588,218	14.9%	47,413,587	-4.4%	47,862,849	0.9%	50,208,623	4.9%	49,343,635	-1.7%	49,837,401	(493,766)	-1.0%
- Transcap Transfers - Fuel Taxes	(18,777,306)	-2.1%	(17,774,919)	5.3%	(17,005,855)	4.3%	(18,070,479)	-6.3%	(18,039,914)	0.2%	(18,554,836)	514,922	2.8%
- Other Fund Gasoline Tax Distributions	(5,149,578)	0.3%	(4,849,535)	5.8%	(4,599,935)	5.1%	(4,891,945)	-6.3%	(4,901,951)	-0.2%	(5,067,105)	165,154	3.3%
Subtotal - Fuel Taxes	231,586,428	2.5%	218,970,635	-5.4%	209,670,726	-4.2%	222,781,779	6.3%	222,424,911	-0.2%	228,842,987	(6,418,076)	-2.8%
Motor Vehicle Registration and Fees													
- Motor Vehicle Registration Fees	69,615,829	1.4%	64,969,278	-6.7%	75,801,035	16.7%	71,829,489	-5.2%	73,383,873	2.2%	69,019,954	4,363,919	6.3%
- License Plate Fees	3,861,249	3.0%	3,829,530	-0.8%	4,047,896	5.7%	4,113,352	1.6%	4,109,717	-0.1%	3,661,097	448,620	12.3%
- Long-term Trailer Registration Fees	15,134,872	14.0%	14,186,866	-6.3%	15,281,749	7.7%	16,055,539	5.1%	18,342,126	14.2%	15,634,523	2,707,603	17.3%
- Title Fees	15,181,423	4.5%	14,523,225	-4.3%	16,861,221	16.1%	15,001,129	-11.0%	15,327,173	2.2%	14,325,795	1,001,378	7.0%
- Motor Vehicle Operator License Fees	9,521,698	8.8%	8,646,784	-9.2%	11,177,496	29.3%	11,950,080	6.9%	12,450,091	4.2%	11,232,973	1,217,118	10.8%
- Transcap Transfers - Motor Vehicle Fee	(16,384,440)	-1.2%	(15,507,585)	5.4%	(17,849,524)	-15.1%	(16,489,455)	7.6%	(16,757,000)	-1.6%	(16,518,054)	(238,946)	-1.4%
Subtotal - Motor Vehicle Reg. & Fees	96,930,631	4.5%	90,648,098	-6.5%	105,319,873	16.2%	102,460,134	-2.7%	106,855,980	4.3%	97,356,288	9,499,692	9.8%
Motor Vehicle Inspection Fees	3,324,510	-1.4%	3,120,970	-6.1%	3,098,522	-0.7%	2,920,344	-5.8%	3,136,970	7.4%	2,777,500	359,470	12.9%
Other Highway Fund Taxes and Fees	1,508,539	1.2%	1,280,909	-15.1%	1,629,051	27.2%	1,693,892	4.0%	1,700,245	0.4%	1,416,470	283,775	20.0%
Fines, Forfeits and Penalties	610,373	-15.7%	899,735	47.4%	1,248,923	38.8%	1,381,965	10.7%	1,212,226	-12.3%	606,412	605,814	99.9%
Income from Investments	893,027	173.2%	257,790	-71.1%	305,414	18.5%	189,723	-37.9%	705,724	272.0%	453,320	252,404	55.7%
Highway Fund Sales Tax Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
Liquor Operations Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
Other Highway Fund Revenues	11,640,306	6.4%	11,998,433	3.1%	12,730,378	6.1%	13,427,987	5.5%	13,500,345	0.5%	13,123,353	376,992	2.9%
<b>Total - Highway Fund Revenue</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>344,855,823</b>	<b>3.2%</b>	<b>349,536,401</b>	<b>1.4%</b>	<b>344,576,330</b>	<b>4,960,071</b>	<b>1.4%</b>

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	203,864,447	4.0%	(10,361,372)	193,503,075	-1.3%	204,954,346	0.5%	(14,034,599)	190,919,747	-1.3%
- Special Fuel and Road Use Taxes	49,579,729	0.5%	(367,593)	49,212,136	-0.3%	49,958,093	0.8%	(186,313)	49,771,780	1.1%
- Transcap Transfers - Fuel Taxes	(25,474,294)	-41.2%	1,091,975	(24,382,319)	-35.2%	(25,641,118)	-0.7%	1,459,605	(24,181,513)	0.8%
- Other Fund Gasoline Tax Distributions	(5,098,038)	-4.0%	259,106	(4,838,932)	1.3%	(5,125,294)	-0.5%	350,963	(4,774,331)	1.3%
Subtotal - Fuel Taxes	222,871,844	0.2%	(9,377,884)	213,493,960	-4.0%	224,146,027	0.6%	(12,410,344)	211,735,683	-0.8%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,019,954	-5.9%	0	69,019,954	-5.9%	69,019,954	0.0%	0	69,019,954	0.0%
- License Plate Fees	3,662,986	-10.9%	0	3,662,986	-10.9%	3,664,608	0.0%	0	3,664,608	0.0%
- Long-term Trailer Registration Fees	14,134,523	-22.9%	0	14,134,523	-22.9%	14,134,523	0.0%	0	14,134,523	0.0%
- Title Fees	14,233,286	-7.1%	0	14,233,286	-7.1%	14,202,449	-0.2%	0	14,202,449	-0.2%
- Motor Vehicle Operator License Fees	9,658,098	-22.4%	500,000	10,158,098	-18.4%	9,658,098	0.0%	500,000	10,158,098	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,471,839)	1.7%	0	(16,471,839)	1.7%	(16,456,434)	0.1%	0	(16,456,434)	0.1%
Subtotal - Motor Vehicle Reg. & Fees	94,237,008	-11.8%	500,000	94,737,008	-11.3%	94,223,198	0.0%	500,000	94,723,198	0.0%
Motor Vehicle Inspection Fees	3,202,500	2.1%	(200,000)	3,002,500	-4.3%	3,202,500	0.0%	0	3,202,500	6.7%
Other Highway Fund Taxes and Fees	1,416,470	-16.7%	0	1,416,470	-16.7%	1,416,470	0.0%	0	1,416,470	0.0%
Fines, Forfeits and Penalties	606,412	-50.0%	0	606,412	-50.0%	606,412	0.0%	0	606,412	0.0%
Income from Investments	613,276	-13.1%	1,642,640	2,255,916	219.7%	571,095	-6.9%	1,376,927	1,948,022	-13.6%
Highway Fund Sales Tax Transfer	101,861,600	N/A	5,672,628	107,534,228	N/A	104,107,200	2.2%	11,275,993	115,383,193	7.3%
Liquor Operations Fund Transfer	53,000,000	N/A	0	53,000,000	N/A	53,000,000	0.0%	0	53,000,000	0.0%
Other Highway Fund Revenues	11,904,465	-11.8%	1,844,559	13,749,024	1.8%	11,904,465	0.0%	500,000	12,404,465	-9.8%
<b>Total - Highway Fund Revenue</b>	<b>489,713,575</b>	<b>40.1%</b>	<b>81,943</b>	<b>489,795,518</b>	<b>40.1%</b>	<b>493,177,367</b>	<b>0.7%</b>	<b>1,242,576</b>	<b>494,419,943</b>	<b>0.9%</b>
<b>Change in Biennial Totals</b>								<b>1,324,519</b>		

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	205,888,741	0.5%	(16,903,415)	188,985,326	-1.0%	206,787,147	0.4%	(19,859,791)	186,927,356	-1.1%
- Special Fuel and Road Use Taxes	50,339,346	0.8%	(302,213)	50,037,133	0.5%	50,723,508	0.8%	(432,067)	50,291,441	0.5%
- Transcap Transfers - Fuel Taxes	(25,784,519)	-0.6%	1,769,128	(24,015,391)	0.7%	(25,920,725)	-0.5%	2,084,933	(23,835,792)	0.7%
- Other Fund Gasoline Tax Distributions	(5,148,660)	-0.5%	422,704	(4,725,956)	1.0%	(5,171,126)	-0.4%	496,635	(4,674,491)	1.1%
Subtotal - Fuel Taxes	225,294,908	0.5%	(15,013,796)	210,281,112	-0.7%	226,418,804	0.5%	(17,710,290)	208,708,514	-0.7%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,019,954	0.0%	0	69,019,954	0.0%	69,019,954	0.0%	0	69,019,954	0.0%
- License Plate Fees	3,664,608	0.0%	0	3,664,608	0.0%	3,664,608	0.0%	0	3,664,608	0.0%
- Long-term Trailer Registration Fees	14,134,523	0.0%	0	14,134,523	0.0%	14,134,523	0.0%	0	14,134,523	0.0%
- Title Fees	14,202,449	0.0%	0	14,202,449	0.0%	14,202,449	0.0%	0	14,202,449	0.0%
- Motor Vehicle Operator License Fees	9,658,098	0.0%	500,000	10,158,098	0.0%	9,658,098	0.0%	500,000	10,158,098	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,456,434)	0.0%	0	(16,456,434)	0.0%	(16,456,434)	0.0%	0	(16,456,434)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	94,223,198	0.0%	500,000	94,723,198	0.0%	94,223,198	0.0%	500,000	94,723,198	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	1,416,470	0.0%	0	1,416,470	0.0%	1,416,470	0.0%	0	1,416,470	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	414,661	-27.4%	920,953	1,335,614	-31.4%	337,974	-18.5%	480,634	818,608	-38.7%
Highway Fund Sales Tax Transfer	104,374,400	0.3%	12,555,338	116,929,738	1.3%	104,808,000	0.4%	12,879,866	117,687,866	0.6%
Liquor Operations Fund Transfer	53,000,000	0.0%	0	53,000,000	0.0%	53,000,000	0.0%	0	53,000,000	0.0%
Other Highway Fund Revenues	11,904,465	0.0%	500,000	12,404,465	0.0%	11,904,465	0.0%	500,000	12,404,465	0.0%
<b>Total - Highway Fund Revenue</b>	<b>494,437,014</b>	<b>0.3%</b>	<b>(537,505)</b>	<b>493,899,509</b>	<b>-0.1%</b>	<b>495,917,823</b>	<b>0.3%</b>	<b>(3,349,790)</b>	<b>492,568,033</b>	<b>-0.3%</b>
<b>Change in Biennial Totals</b>								<b>(3,887,295)</b>		



## **Appendix C**

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

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT PAYMENTS)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST**

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	Variance	% Chg.
Tobacco Settlement Payments:													
- Base Payments *	45,465,742	-2.6%	46,272,664	1.8%	48,584,349	5.0%	49,858,288	2.6%	52,234,053	4.8%	52,234,053	(0)	0.0%
- One-time DPA Settlements **	32,488,828	52.9%	0	-100.0%	0	N/A	0	N/A	0	N/A	0	0	N/A
- Strategic Contribution Payments ***	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	0	N/A
Subtotal TSPs	77,954,570	14.8%	46,272,664	-40.6%	48,584,349	5.0%	49,858,288	2.6%	52,234,053	4.8%	52,234,053	(0)	0.0%
Casino Revenue ****	3,640,004	-1.09%	2,773,875	-23.79%	3,376,375	21.7%	4,446,875	31.7%	4,504,402	1.3%	4,628,813	(124,411)	-2.7%
Income from Investments	583,469	298.5%	496,816	-14.9%	115,798	-76.7%	160,121	38.3%	791,384	394.2%	698,108	93,276	13.4%
Other Adjustments *****	0	N/A	0	N/A	(994,035)	N/A	272,464	127.4%	124,498	-54.3%	0	124,498	N/A
<b>Total - FHM Revenue</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>54,737,748</b>	<b>7.2%</b>	<b>57,654,337</b>	<b>5.3%</b>	<b>57,560,974</b>	<b>93,363</b>	<b>0.2%</b>

\* The budgeted Base Payments for the Tobacco Settlement Payments generally assume that a portion of the payment will be withheld and placed in an escrow account until the Office of the Attorney General is able to settle that years payments with the Participating Manufacturers. These funds are withheld from FY 24, FY 25, FY 26 and FY 27. Without this assumed withholding, the estimates would increase by an estimated \$13.2 million in FY 24, \$11.7 million in FY 25, and \$10.6 million in both FY 26 and FY 27.

\*\* FY19 includes 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 - DECEMBER 2023 FORECAST**

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Var.
Tobacco Settlement Payments:										
- Base Payments *	34,725,954	-33.5%	(2,957,164)	31,768,790	-39.2%	32,277,028	-7.1%	(2,101,609)	30,175,419	-5.0%
- 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	34,725,954	-33.5%	(2,957,164)	31,768,790	-39.2%	32,277,028	-7.1%	(2,101,609)	30,175,419	-5.0%
Casino Revenue ****	5,321,237	18.1%	(68,370)	5,252,867	16.6%	5,321,290	0.0%	205,889	5,527,179	5.2%
Income from Investments	783,993	-0.9%	806,908	1,590,901	101.0%	352,025	-55.1%	546,463	898,488	-43.5%
Other Adjustments *****	0	-100.0%	0	0	-100.0%	0	N/A	0	0	N/A
<b>Total - FHM Revenue</b>	<b>40,831,184</b>	<b>-29.2%</b>	<b>(2,218,626)</b>	<b>38,612,558</b>	<b>-33.0%</b>	<b>37,950,343</b>	<b>-7.1%</b>	<b>(1,349,257)</b>	<b>36,601,086</b>	<b>-5.2%</b>
<b>Change in Biennial Totals</b>								<b>(3,567,884)</b>		

\* The budgeted Base Payments for the Tobacco Settlement Payments generally assume that a portion of the payment will be withheld and placed in an escrow account until the Office of the Attorney General is able to settle that years payments with the Participating Manufacturers. These funds are withheld from FY 24, FY 25, FY 26 and FY 27. Without this assumed withholding, the estimates would increase by an estimated \$13.2 million in FY 24, \$11.7 million in FY 25, and \$10.6 million in both FY 26 and FY 27.

\*\* FY19 includes 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 - DECEMBER 2023 FORECAST**

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments *	32,277,028	0.0%	(2,970,534)	29,306,494	-2.9%	32,277,028	0.0%	(2,970,534)	29,306,494	0.0%
- 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	32,277,028	0.0%	(2,970,534)	29,306,494	-2.9%	32,277,028	0.0%	(2,970,534)	29,306,494	0.0%
Casino Revenue ****	5,321,343	0.0%	206,388	5,527,731	0.0%	5,321,396	0.0%	206,888	5,528,284	0.0%
Income from Investments	225,535	-35.9%	376,302	601,837	-33.0%	157,645	-30.1%	195,963	353,608	-41.2%
Other Adjustments *****	0	N/A	0	0	N/A	0	N/A	0	0	N/A
<b>Total - FHM Revenue</b>	<b>37,823,906</b>	<b>-0.3%</b>	<b>(2,387,844)</b>	<b>35,436,062</b>	<b>-3.2%</b>	<b>37,756,069</b>	<b>-0.2%</b>	<b>(2,567,683)</b>	<b>35,188,386</b>	<b>-0.7%</b>
<b>Change in Biennial Totals</b>								<b>(4,955,528)</b>		

\* The budgeted Base Payments for the Tobacco Settlement Payments generally assume that a portion of the payment will be withheld and placed in an escrow account until the Office of the Attorney General is able to settle that years payments with the Participating Manufacturers. These funds are withheld from FY 24, FY 25, FY 26 and FY 27. Without this assumed withholding, the estimates would increase by an estimated \$13.2 million in FY 24, \$11.7 million in FY 25, and \$10.6 million in both FY 26 and FY 27.

\*\* FY19 includes 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 - DECEMBER 2023 FORECAST

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	Variance	% Var.
Nursing Facility Tax	34,999,161	3.7%	43,432,833	24.1%	38,214,675	-12.0%	38,095,910	-0.3%	42,342,711	11.1%	41,102,821	1,239,890	3.0%
Residential Treatment Facility (ICFs/MR) Tax	2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,741,744	8.0%	3,040,114	10.9%	2,922,471	117,643	4.0%
Hospital Tax *	102,503,718	-0.8%	115,464,903	12.6%	115,888,153	0.4%	126,885,314	9.5%	124,708,001	-1.7%	127,706,538	(2,998,537)	-2.3%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	50,424,722	9.7%	52,990,306	5.1%	51,580,615	-2.7%	52,687,741	2.1%	57,756,470	9.6%	57,277,062	479,408	0.8%
<b>Total - Health Care Provider Taxes</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>220,410,709</b>	<b>5.9%</b>	<b>227,847,296</b>	<b>3.4%</b>	<b>229,008,892</b>	<b>(1,161,596)</b>	<b>-0.5%</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; again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22 and again in PL 2023 c.412 to hospital fiscal years ending in calendar year 2020 beginning in FY 25. PL 2023 c.412 eliminated the health care services from the service provider tax under the Maine Revised Statutes, Title 36, section 2552, effective January 1, 2025.

## MEDICAID/MAINECARE DEDICATED REVENUE TAXES

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Nursing Facility Tax	39,506,375	-6.7%	1,493,625	41,000,000	-3.2%	42,141,124	6.7%	976,898	43,118,022	5.2%
Residential Treatment Facility (ICFs/MR) Tax	2,922,471	-3.9%	232,529	3,155,000	3.8%	2,922,471	0.0%	232,529	3,155,000	0.0%
Hospital Tax *	127,706,538	2.4%	0	127,706,538	2.4%	122,298,490	-4.2%	0	122,298,490	-4.2%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	59,178,250	2.5%	1,197,218	60,375,468	4.5%	36,794,833	-37.8%	758,184	37,553,017	-37.8%
<b>Total - Health Care Provider Taxes</b>	<b>229,313,634</b>	<b>0.6%</b>	<b>2,923,372</b>	<b>232,237,006</b>	<b>1.9%</b>	<b>204,156,918</b>	<b>-11.0%</b>	<b>1,967,611</b>	<b>206,124,529</b>	<b>-11.2%</b>
<b>Change in Biennial Totals</b>								<b>4,890,983</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; again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22 and again in PL 2023 c.412 to hospital fiscal years ending in calendar year 2020 beginning in FY 25. PL 2023 c.412 eliminated the health care services from the service provider tax under the Maine Revised Statutes, Title 36, section 2552, effective January 1, 2025.

## MEDICAID/MAINECARE DEDICATED REVENUE TAXES

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2023 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Nursing Facility Tax	42,141,124	0.0%	976,898	43,118,022	0.0%	42,141,124	0.0%	976,898	43,118,022	0.0%
Residential Treatment Facility (ICFs/MR) Tax	2,922,471	0.0%	232,529	3,155,000	0.0%	2,922,471	0.0%	232,529	3,155,000	0.0%
Hospital Tax *	122,298,490	0.0%	0	122,298,490	0.0%	122,298,490	0.0%	0	122,298,490	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	36,794,833	0.0%	(36,794,833)	(0)	-100.0%	36,794,832	0.0%	(36,794,833)	(0)	0.0%
<b>Total - Health Care Provider Taxes</b>	<b>204,156,918</b>	<b>0.0%</b>	<b>(35,585,406)</b>	<b>168,571,512</b>	<b>-18.2%</b>	<b>204,156,917</b>	<b>0.0%</b>	<b>(35,585,406)</b>	<b>168,571,511</b>	<b>0.0%</b>
<b>Change in Biennial Totals</b>								<b>(71,170,812)</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; again in PL 2021, c. 29 to hospital fiscal years ending in calendar year 2018 beginning in FY 22 and again in PL 2023 c.412 to hospital fiscal years ending in calendar year 2020 beginning in FY 25. PL 2023 c.412 eliminated the health care services from the service provider tax under the Maine Revised Statutes, Title 36, section 2552, effective January 1,



## **Appendix E**

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

**November 1, 2023**

**Report of the  
CONSENSUS ECONOMIC FORECASTING COMMISSION  
November 1, 2023**

**Commissioners**

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

Dr. Andrew Crawley  
*Associate Professor and 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 on October 23, 2023, to review and revise its forecast through 2027. This meeting builds on the Commission's forecast update of April 1, 2023, incorporating the most recent updates available for all relevant baseline data. This includes revised actual values, including revisions to personal income through 2022 from the U.S. Bureau of Economic Analysis (BEA). This report provides a summary of the Commission's findings. Prior to its fall forecasting meeting the CEFC held an information gathering session, a summary of which is available online.

The CEFC noted ongoing heightened uncertainty in economic conditions in the near-term, especially regarding geo-political upheaval, but does not anticipate a recession in its forecast. The Commission expects that higher demand for labor will continue to draw enough workers into Maine in the coming years to offset retirements from the Baby Boom generation. However, the Commission recognizes that access to housing may hamper growth in the coming years. High inflation and interest rates have continued into 2023, and the CEFC noted that the Federal Reserve is expected to continue pursuing policies that will constrain inflation, but inflation risks are likely to take several years to fully ease. Inflation and interest rates, demographic changes, access to housing, and a tight labor market were among the key risks to continued economic growth that the CEFC considered as it revised its forecasts.

The Commission left its nonfarm employment forecast unchanged for all years, with the expectation that higher demand for labor will continue to draw enough workers into Maine in the coming years to offset retirements from the Baby Boom generation.

Total personal income growth in 2022 was 3.9%, revised up from the BEA's preliminary estimate of 2.6%. The Commission revised its forecast for total personal income growth in 2023 up from 5.2% to 5.9% but downward for calendar years 2024 through 2027. The Commission revised those years down to 4.5%, 4.3%, 4.4%, and 4.4% from 4.9%, 4.5%, 4.6%, and 4.7%, respectively.

Wage and salary income, the largest component of personal income, increased by 8.5% in 2022, just under the preliminary estimate of 8.6%. The Commission revised its forecast for 2023 up to 7.5% from 6.0% based on data from the Maine Department of Labor and Maine Revenue Services for the first half of 2023. The rest of the forecast remained unchanged.

Supplements to wages and salaries increased by 4.4% in 2022, lower than the previously estimated increase of 5.5%. The Commission revised its forecast down to 3.5% for 2023, 2024, and 2025 (from 5.5%, 5.0%, and 4.0%, respectively) and left the remaining years unchanged.

Growth in nonfarm proprietor's income was 6.2% in 2022, higher than the preliminary estimate of 3.8%. The Commission revised its forecast upwards for 2023, 2024, and 2025, going from 2.0% to 3.8% in 2023, 2.5% to 3.0% in 2024, and 2.8% to 3.0% in 2025. The rest of the forecast remained unchanged.

Dividends, interest, and rent (DIR) increased 7.6% in 2022, higher than the 5.0% preliminary estimate. The Commission revised its forecast up for 2023 from 5.0% to 6.5%, leaving the rest of the forecast unchanged.

Personal current transfer receipts decreased by 5.8% in 2022, up from a preliminary estimate of -9.2%. Downward revisions were made for all forecast years (2023-2027), going from 5.0%, 5.0%, 6.0%, 6.0%, and 6.0% to 3.5%, 3.5%, 5.0%, 5.0%, and 5.0%, respectively.

The Commission revised its forecast for inflation using the Consumer Price Index (CPI) down in all years, going from 5.8% to 4.1% in 2023, 4.0% to 3.2% in 2024, 3.5% to 2.7% in 2025, 3.5 to 2.7% in 2026, and 2.7% from 3.0% in 2027. These revisions were made based on the year-to-date CPI data and to better align with the Moody's Analytics and S&P forecasts for these years.

Corporate profits increased 8.4% in 2022, up from the preliminary estimate of 6.6%. The Commission revised its forecast for 2024- 2027 to better align with the S&P and Moody's Analytics forecasts for these years. These revisions include going from 5.0% to -1.0% in 2024, 5.0% to 0.5% in 2025, 5.0% to 3.0% in 2026, and 5.0% to 3.0% in 2027. The forecast for 2023 was unchanged.

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

Calendar Years	2022	2023	2024	2025	2026	2027
<b>Wage &amp; Salary Employment (Annual Percentage Change)</b>						
CEFC Forecast 04/2023	2.4	1.2	0.8	0.4	0.2	0.1
CEFC Forecast 11/2023	2.4	1.2	0.8	0.4	0.2	0.1
<b>Personal Income (Annual Percentage Change)</b>						
CEFC Forecast 04/2023	2.6	5.2	4.9	4.5	4.6	4.7
CEFC Forecast 11/2023	3.9	5.9	4.5	4.3	4.4	4.4
<b>Wage and Salary Income (Annual Percentage Change)</b>						
CEFC Forecast 04/2023	8.6	6.0	5.0	4.0	4.3	4.3
CEFC Forecast 11/2023	8.5	7.5	5.0	4.0	4.3	4.3
<b>CPI (Annual Percentage Change)</b>						
CEFC Forecast 04/2023	8.0	5.8	4.0	3.5	3.5	3.0
CEFC Forecast 11/2023	8.0	4.1	3.2	2.7	2.7	2.7

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 fairly strong year of population growth in 2022, gaining just over 8,000 in population. This was driven by net domestic migration, in which Maine's rate ranked 10<sup>th</sup> in the nation. It is particularly notable that all counties in Maine are experiencing population growth as a result of migration. In fact, some of Maine's most rural counties are experiencing the highest rates of net migration and population growth overall.

Total personal income decreased by 2.7% at a seasonally adjusted, annualized rate in the second quarter of 2023, following a 10.4% increase in the second quarter. The decrease in personal income was driven by a decline in transfer receipts, following the \$450 energy relief payments that were issued in the prior quarter. Wage and salary income, the largest component of personal income, has grown 2.4% and 5.2% in the first two quarters of 2023, respectively. Meanwhile, real GDP for Maine has increased for three consecutive quarters, growing to almost \$65.5 billion in the first quarter of 2023. Inflation has decelerated from the high in June of 2022, but is still above the Federal Reserve's 2% target. The CPI

all-items index grew by 3.7% in September, unchanged from the 3.7% year-over-year increase in August.

The University of Michigan Consumer Sentiment Index was down 2.0% in September from the prior month and up 16.2% year over year. However, a preliminary release for October shows a 7.5% decline month-over-month. In this preliminary release, consumers reported a decline in both expectations of their personal finances and in one-year business conditions. Meanwhile, in September the National Federation of Independent Business (NFIB) Small Business Optimism Index was down 0.5% year over year. September was the 21<sup>st</sup> consecutive month below the 49-year average.

Gasoline cost \$3.73 on average in New England during the week of October 9, about \$0.05 less than a year ago. The statewide average cash price of No. 2 heating oil in Maine was \$4.001/gal in the second week (October 9) of the 2023-2024 heating oil season, 19.5% lower than the same week of last year, and about 1% lower than the first week of heating oil season.

Single-family existing-home sales have cooled, with the number of sales falling by 18.8% year-over-year in August, although prices continued to increase (9.4%). Maine's House Price Index rose 7.6% in the second quarter of 2023 over the previous year. Maine's year-over-year growth was highest in the nation.

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

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

### ***Recent Trends in Jobs and Labor Force Estimates***

Nonfarm wage and salary jobs have been stable for most of the last year since reaching record highs in late 2022. Job estimates have not deviated from the average by more than 0.2 percent in any month of 2023. This pattern of stability occurred in most sectors. In all but two sectors, the number of jobs has not diverged from the average by more than two percent in any month.

Labor demand remains relatively high compared to labor supply. This is due to the combination of a strong economy with lots of employers that are competing for workers and the demographic factors that are constraining labor supply, driving the state unemployment rate to record lows. Unemployment has been below four percent for 22 consecutive months – the third longest period of such low rates. Competition for workers is driving wage growth. Average wages across all industries increased by 6.4 percent in 2022 over the year (not adjusting for inflation).

Labor force participation is lower in Maine than the nation because there are more people in higher age ranges where participation rates are lower. If the age distribution of the civilian population (age 16 and over) was the same as the nation and the labor force participation rate in each age group was unchanged, Maine's labor force participation rate would have been 62.4 percent in 2022 (the actual labor force participation rate was 58.4 percent), essentially the same as the national rate of 62.2 percent.

An uptick in in-migration and population growth in 2021 and 2022 contributed to jobs reaching new highs in late 2022. Unemployment rates below 3 percent suggest there is very little slack in the labor market to support additional job growth in the absence of further population and workforce growth. Little change in jobs in the past year may be reflective of population growth and in-migration that are enough to offset the increasing population share reaching retirement ages.

### ***Divergence in Household and Payroll Survey Estimates***

Household survey-based labor force participation and employment-to-population rates have increased in 2023 but remain understated based on higher quality signals from other data sources. The household survey-based employment-to-population ratio estimate is up 0.9 percentage points so far in 2023. Bringing household employment estimates into somewhat better alignment with payroll employment data which appears to be a higher quality signal. In the last three months the ratio of payroll jobs-to-population (age 16 and over) is 1.5 percentage points lower than the average in 2019. However, the household survey estimate of employment-to-population (age 16 and over) is 3.4 percentage points lower than the average in 2019.

Recent labor force estimates from the Census American Community Survey (ACS) align with employment estimates from the payroll survey and their benchmark in the Quarterly Census of Employment and Wages. The 2022 household survey labor force participation rate is 2.9 percentage points lower than the 2022 1-year ACS estimate and the historic gap (largely due to differences in the population universe and survey concepts) between the surveys has been flipped. The ACS data and payroll survey data both suggest that participation and employment were affected at the onset of the pandemic and have since recovered, though a larger share of the population is reaching retirement age. 2022 1-year ACS labor force participate rate estimates are very close to the long-term trend since 2010.

### ***Summary***

The factors expected to shape job growth are: 1) the business cycle, 2) the population age structure which is constraining the size of the workforce and thus job growth, 3) in-migration and the extent to which population growth can balance out the effect of population aging. Jobs are higher in 2023 relative to before the recession due to the combination of population growth and a modestly lower jobs-to-population (age 16 and over) ratio as the population continues to shift toward retirement ages. Low unemployment rates point to a competitive hiring environment and a labor market still quite favorable to job seekers.

The October 2023 Maine Department of Labor [presentation to the Consensus Economic Forecasting Commission is available here.](#)

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

In its May 2023 forecast, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates up by \$223.2 million for FY23 and by \$70.7 million for the FY24/25 biennium. Despite the updated FY23 GF revenue forecast, GF revenues ended the fiscal year over budget by \$115.1 million; a positive variance of 2.2 percent and year-over-year growth of approximately -0.2 percent. The revenue surplus allowed for a \$52.4 million transfer to the Budget Stabilization Fund, bringing the total in the fund to \$970.0 million which is the maximum amount allowable under state law: 18.0 percent of FY23 GF revenue.

Through the first quarter of FY24, GF revenue is over budget by \$26.6 million (2.0 percent) and has decreased by \$37.0 million (2.6 percent) compared to a year ago. Adjusting for the recently enacted semiannual transfer (July and October) of General Fund sales tax revenue from automobile sales to the Highway Fund (\$54.1 million), fiscal year 2024 General Fund revenues have increased by 1.2 percent over fiscal year 2023.

Sales and use taxes through the first quarter of FY24 are \$38.8 million over budget (6.2 percent) and are up \$23.7 million (3.7 percent) over the first quarter of FY23. The May 2023 forecast assumed meals and lodging sales would experience only modest growth during the 2023 summer tourism season and that the 5.5% sales tax base would decrease on a year-over-year basis during the first quarter of the fiscal year as consumers continued to shift their purchasing back to nontaxable services. Thus far, lodging and restaurant sales growth have slowed as forecasted, only increasing during the June-August quarter by 1.6 percent and 4.2 percent, respectively. A wet summer, particularly on weekends, certainly impacted summer tourism, but not enough to prevent positive year-over-year growth. Most of the quarterly surplus is from the sales of goods, that have not slowed as much as forecasted. Building supply, general merchandise, and other retail sales all increased or decreased slightly during the three-month period ending in August. On the other hand, automobile dealership sales increased 8.0 percent during the first quarter of FY24, despite rising interest rates. Year-over-year growth over the remainder of the fiscal year is not currently expected to grow as fast as the first quarter as the resumption of student loan payments, high interest rates, and the transition back to nontaxable services continues.

Individual income tax receipts are \$10.3 million under budget (1.7 percent) through September of FY24 and are up \$13.4 million (2.2 percent) over the same period of FY23. Most of the year-to-date deficit is from refunds associated with the 2022 tax year being over budget by \$12.6 million and estimated payments for tax year 2023 being below budget by \$11.1 million. Fiduciary payments are also under budget by \$4.5 million through the first quarter of the fiscal year. Withholding and final payments are over budget through September by \$6.2 million and \$11.7 million, respectively.

Corporate income tax revenue is \$1.0 million (1.0 percent) under budget through September and \$17.2 million (14.2 percent) below FY23. Year-to-date refunds are over budget by \$4.8 million and payments are over budget by \$3.8 million. Tax data from corporations is lagged because most large corporations file on extension and the complexity of these returns result in a further lag in posting the returns to the Maine Revenue Services accounting system. It will be some time before we fully understand the recent surge in corporate tax receipts, and need to be aware that refunds and payments over the remainder of FY24 may reflect a normalization of corporate revenues and a quick turnaround from the historic revenues we've experienced since the start of the pandemic.

## **Macroeconomic Assumptions**

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics and S&P baseline scenarios released in October 2023, respectively. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's April 2023 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:

- There is an unequal distribution of supply and demand in the labor market. Demand for labor is high, supply is low, and unemployment rates are near historic lows in Maine and nationwide. Workers are experiencing higher wage growth, particularly for lower wage jobs. Some demographic trends, including a growing share of the population reaching retirement age will continue to constrain labor supply. However, the Commission is optimistic that Maine will continue to see higher in-migration of working-age people in the coming years that will be more than sufficient to offset retirements in the forecast period despite constraints in the housing market.

- Rising interest rates, low supply of available properties, and ongoing in-migration are continuing to impact the housing market. Home sales are down, while sale prices have continued to increase. Affordability is of particular concern as interest rates have increased, causing more potential buyers to be priced out of the market. Higher home prices have contributed to higher rental prices.
- Large, federally funded infrastructure programs, including the Bipartisan Infrastructure Law (BIL) and Maine Jobs and Recovery Plan (MJRP), will lead to significant investments in Maine, with potential impacts on local job markets. In addition to funds from the MJRP, it is estimated that there will be at least \$2.5 billion from the BIL invested in Maine's infrastructure over the next few years, with much of the implementation beginning in 2024.
- High inflation and interest rates have continued into 2023, though there have been improvements in some sectors. The Federal Reserve is expected to continue pursuing policies that will constrain inflation, but inflation risks are likely to take several years to fully ease. In addition, increasing interest rates in an environment of continuing federal budget deficits raises the risk of capital markets pushing interest rates higher still thus increasing the risks of recession in the coming year.
- Overall, employment in the health care and social assistance sector has recovered and is slightly above pre-pandemic levels. However, staffing remains a concern in some subsectors – specifically in hospitals and nursing and residential care facilities.
- 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. More workers are returning to the office or transitioning to hybrid work arrangements.
- The strength of the U.S. dollar could pose a challenge to exporters in Maine. A high dollar also keeps energy prices high and could also affect the numbers of Canadian tourists choosing to come to Maine.
- Geo-political tensions remain elevated and continue to pose a negative risk to the forecast.

## **Consensus Forecast**

The Commission left its nonfarm employment forecast unchanged for all years. The Commission's assumption is that demographic changes will be offset by continued increases in employment of older workers and increased migration to the state. The forecast anticipates that employment will continue to grow through 2027 to 656,100 with slower increases as 2027 approaches.

This forecast reflects revised personal income data for 2022 released by the U.S. Bureau of Economic Activity on September 29. Total personal income growth in 2022 was 3.9%, up from the preliminary estimate of 2.6%. The Commission revised its forecast for total personal income growth in 2023 up from 5.2% to 5.9%. The forecasts for total personal income for years 2024 through 2027 were revised downward to 4.5% from 4.9% in 2024, 4.5% to 4.3% in 2025, 4.6% to 4.4% in 2026, and 4.7% to 4.4% in 2027. These revisions largely reflect upward revisions to wage and salary income in 2023 and

downward revisions to personal current transfer receipts in all years. Details of these categories are provided below.

Wage and salary income, the largest component of personal income, increased by 8.5% in 2022, just under the preliminary estimate of 8.6%. The Commission revised its forecast for 2023 up to 7.5% from 6.0% based on data from the Maine Department of Labor and Maine Revenue Services for the first half of 2023. The rest of the forecast remained unchanged.

Supplements to wages and salaries increased by 4.4% in 2022, lower than the previously estimated increase of 5.5%. The Commission revised its forecast down to 3.5% for 2023, 2024, and 2025 (from 5.5%, 5.0% and 4.0%, respectively) and left the remaining years unchanged.

Growth in nonfarm proprietor's income was 6.2% in 2022, higher than the preliminary estimate of 3.8%. The Commission revised its forecast upwards for 2023, 2024, and 2025, going from 2.0% to 3.8% in 2023, 2.5% to 3.0% in 2024, and 2.8% to 3.0% in 2025. The rest of the forecast remained unchanged.

Dividends, interest, and rent (DIR) increased 7.6% in 2022, higher than the 5.0% preliminary estimate. The Commission revised its forecast up for 2023 from 5.0% to 6.5%. The Commission left the rest of the forecast unchanged.

Personal current transfer receipts decreased by 5.8% in 2022, up from a preliminary estimate of -9.2%. Downward revisions were made for all forecast years (2023-2027), from 5.0%, 5.0%, 6.0%, 6.0%, and 6.0% to 3.5%, 3.5%, 5.0%, 5.0%, and 5.0%, respectively.

The Commission revised their forecast for inflation using the Consumer Price Index (CPI) down in all years, going from 5.8% to 4.1% in 2023, 4.0% to 3.2% in 2024, 3.5% to 2.7% in 2025, 3.5 to 2.7% in 2026, and 2.7% from 3.0% in 2027. These revisions were made based on the year-to-date CPI data and to better align with the Moody's Analytics and S&P forecasts for these years.

Corporate profits increased 8.4% in 2022, up from the preliminary estimate of 6.6%. The Commission revised its forecast for 2024- 2027 to better align with the S&P and Moody's Analytics forecasts for these years. These revisions include going from 5.0% to -1.0% in 2024, 5.0% to 0.5% in 2025, 5.0% to 3.0% in 2026, and 5.0% to 3.0% in 2027. The forecast for 2023 was unchanged.

The following page provides the full forecast.

# Maine Consensus Economic Forecasting Commission

November 2023 Forecast

	History	Forecast				
	2022	2023	2024	2025	2026	2027
CPI-U* (Annual Change)	8.0%	4.1%	3.2%	2.7%	2.7%	2.7%
CPI for Energy Prices** (Annual Change)	24.9%	-4.0%	1.8%	-2.3%	-0.2%	1.4%
Avg. Price of New Vehicles** (Annual Change)	9.5%	1.8%	-5.5%	-4.0%	3.7%	7.2%
New Vehicle Registrations** (Annual Change)	-11.8%	5.1%	1.6%	4.1%	0.2%	-1.4%
Personal Savings Rate**	3.3%	4.4%	4.9%	5.9%	6.2%	6.3%
Maine Unemployment Rate**	2.9%	2.6%	2.8%	3.4%	3.6%	3.6%
3-Month Treasury Bill Rate**	2.0%	5.1%	5.2%	3.7%	2.6%	2.4%
10-Year Treasury Note Yield**	3.0%	4.0%	4.1%	3.5%	3.3%	3.2%
Before-Tax Corporate Profits* (Annual Change)	8.4%	2.0%	-1.0%	0.5%	3.0%	3.0%
Maine Wage & Salary Employment* (thousands)	638.7	646.4	651.5	654.1	655.4	656.1
Natural Resources	2.1	2.2	2.3	2.4	2.4	2.4
Construction	32.6	33.1	33.4	33.7	33.7	33.8
Manufacturing	54.5	54.4	54.5	54.6	54.5	54.4
Trade/Trans./Public Utils.	119.2	119.7	119.7	120.2	120.4	120.6
Information	7.9	7.9	7.9	8.0	8.0	7.9
Financial Activities	33.9	34.0	34.1	34.2	34.2	34.2
Prof. & Business Services	75.8	77.4	78.6	79.3	80.0	80.5
Education & Health Services	125.8	129.1	131.6	132.5	132.9	132.8
Leisure & Hospitality Services	65.5	66.3	66.7	67.0	67.1	67.0
Other Services	22.0	22.0	21.9	21.8	21.8	21.8
Government	99.4	100.4	100.8	100.6	100.5	100.6
Maine Wage & Salary Employment* (Annual Change)	2.4%	1.2%	0.8%	0.4%	0.2%	0.1%
Natural Resources	0.0%	5.4%	4.2%	3.1%	0.4%	-0.9%
Construction	1.9%	1.4%	0.9%	0.9%	0.2%	0.1%
Manufacturing	1.1%	-0.3%	0.3%	0.2%	-0.3%	-0.1%
Trade/Trans./Public Utils.	1.9%	0.4%	0.0%	0.4%	0.2%	0.2%
Information	5.3%	-0.3%	0.8%	0.6%	-0.1%	-0.5%
Financial Activities	2.4%	0.4%	0.3%	0.1%	0.1%	0.1%
Prof. & Business Services	4.6%	2.1%	1.6%	0.8%	0.9%	0.7%
Education & Health Services	0.1%	2.6%	1.9%	0.7%	0.3%	-0.1%
Leisure & Hospitality Services	7.6%	1.2%	0.6%	0.4%	0.2%	-0.1%
Other Services	4.3%	-0.1%	-0.3%	-0.3%	-0.1%	-0.1%
Government	1.7%	1.0%	0.4%	-0.2%	-0.1%	0.1%
	2022	2023	2024	2025	2026	2027
Personal Income* (\$ million)	83,951	88,864	92,854	96,850	101,092	105,573
Wages & Salaries*	38,678	41,579	43,658	45,404	47,358	49,393
Supplements to Wages & Salaries*	8,757	9,063	9,381	9,709	10,049	10,350
Nonfarm Proprietors' Income*	6,529	6,777	6,980	7,190	7,406	7,702
Farm Proprietors' Income**	175	138	163	196	187	175
Dividends, Interest, & Rent*	15,150	16,135	16,942	17,704	18,501	19,333
Dividends	5,531	5,600	5,862	5,754	5,772	5,993
Interest	5,748	6,228	7,052	8,091	8,824	9,322
Rent	3,872	4,308	4,032	3,859	3,904	4,021
Personal Current Transfer Receipts*	19,932	20,629	21,351	22,419	23,540	24,717
Less: Contributions for Social Ins.**	6,590	6,851	7,077	7,278	7,508	7,719
Adjustment for Residence**	1,320	1,394	1,457	1,506	1,559	1,622
Personal Income* (Annual Change)	3.9%	5.9%	4.5%	4.3%	4.4%	4.4%
Wages & Salaries*	8.5%	7.5%	5.0%	4.0%	4.3%	4.3%
Supplements to Wages & Salaries*	4.4%	3.5%	3.5%	3.5%	3.5%	3.0%
Nonfarm Proprietors' Income*	6.2%	3.8%	3.0%	3.0%	3.0%	4.0%
Farm Proprietors' Income**	21.7%	-20.7%	18.0%	20.0%	-4.4%	-6.8%
Dividends, Interest, & Rent*	7.6%	6.5%	5.0%	4.5%	4.5%	4.5%
Dividends	7.8%	1.3%	4.7%	-1.8%	0.3%	3.8%
Interest	7.9%	8.4%	13.2%	14.7%	9.1%	5.6%
Rent	7.0%	11.3%	-6.4%	-4.3%	1.1%	3.0%
Personal Current Transfer Receipts*	-5.8%	3.5%	3.5%	5.0%	5.0%	5.0%
Less: Contributions for Social Ins.**	8.6%	4.0%	3.3%	2.8%	3.2%	2.8%
Adjustment for Residence**	-1.1%	5.6%	4.5%	3.4%	3.5%	4.0%

\*CEFC Forecast

\*\*From S&P and Moody's Analytics baselines (October 2023)

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



## **APPENDIX F**

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

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

	<u>FY2024</u>	<u>FY2025</u>	<u>Biennium</u>	<u>FY2026</u>	<u>FY2027</u>	<u>Biennium</u>
<b>Sales &amp; Use Tax</b>	\$57,394,679	\$43,196,225	\$100,590,904	\$46,741,232	\$52,827,350	\$99,568,583
<b>Service Provider Tax</b>	(\$102,180)	(\$356,405)	(\$458,584)	-\$350,002	-\$361,216	(\$711,218)
<b>Individual Income Tax</b>	\$41,600,000	\$75,500,000	\$117,100,000	\$81,625,000	\$104,500,000	\$186,125,000
<b>Corporate Income Tax</b>	\$20,000,000	\$0	\$20,000,000	-\$10,650,000	-\$14,250,000	-\$24,900,000
<b>Estate Tax</b>	-\$1,800,000	\$5,200,000	\$3,400,000	\$5,200,000	\$5,125,000	\$10,325,000
<b>Real Estate Transfer Tax, General Fund</b>	(\$883,652)	(\$334,057)	(\$1,217,709)	\$163,990	(\$308,720)	(\$144,730)
<b>Cigarette, Tobacco, and Cannabis Excise Taxes</b>	(\$3,352,925)	(\$5,973,835)	(\$9,326,759)	(\$6,000,406)	(\$5,667,725)	(\$11,668,131)
<b>Telecommunications Excise Tax</b>	(\$6,200,000)	\$0	(\$6,200,000)	\$50,000	\$0	\$50,000
<b>Insurance Company Tax</b>	\$3,970,000	\$5,670,000	\$9,640,000	\$5,500,000	\$5,720,000	\$11,220,000
<b>Container Fee</b>	\$250,000	\$250,000	\$500,000	\$0	\$0	\$0
<b>BETE Reimbursement</b>	\$2,760,000	\$2,950,000	\$5,710,000	\$3,130,000	\$3,310,000	\$6,440,000
<b>Gas Tax</b>	(\$10,361,373)	(\$14,034,600)	(\$24,395,972)	(\$16,903,415)	(\$19,859,791)	(\$36,763,206)
<b>Special Fuel Tax</b>	(\$367,593)	(\$186,312)	(\$553,905)	(\$302,213)	(\$432,066)	(\$734,280)
<hr/>						
<b>Total Adjustments to Current Forecast</b>	\$102,906,957	\$111,881,017	\$214,787,974	\$108,204,186	\$130,602,833	\$238,807,019
<hr/>						
General Fund	\$100,478,939	\$106,454,306	\$206,933,245	\$105,240,439	\$128,046,205	\$233,286,643
Local Government Fund	\$8,588,092	\$6,502,867	\$15,090,959	\$6,162,747	\$8,680,027	\$14,842,774
Tourism Marketing Promotion Fund	\$309,003	\$1,193,396	\$1,502,400	\$1,072,021	\$1,104,346	\$2,176,367
Adult Use Cannabis Public Health and Safety Fund	(\$861,785)	(\$926,054)	(\$1,787,839)	(\$1,099,466)	(\$1,235,311)	(\$2,334,777)
Multimodal Transportation Fund	(\$550,954)	\$1,601,420	\$1,050,466	\$1,478,735	\$1,419,557	\$2,898,293
Highway Fund (Motor Fuel Taxes)	(\$9,396,699)	(\$12,448,279)	(\$21,844,978)	(\$15,062,675)	(\$17,766,213)	(\$32,828,887)
Highway Fund Auto Sales Tax transfer	\$5,672,628	\$11,275,993	\$16,948,622	\$12,555,338	\$12,879,866	\$25,435,204
Transcap Trust Fund	(\$1,073,160)	(\$1,421,670)	(\$2,494,830)	(\$1,720,250)	(\$2,029,010)	(\$3,749,260)
Other Gas Tax Distributions	(\$259,107)	(\$350,963)	(\$610,070)	(\$422,704)	(\$496,634)	(\$919,338)

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

21-Nov-23  
11:00 AM

# MRS Office of Tax Policy Presentation for December 2023 Revenue Forecast

**STATE OF MAINE**  
**Undedicated Revenues - General Fund**  
**For the Twelfth Month Ended June 30, 2023**  
**For the Fiscal Year Ending June 30, 2023**  
**Comparison to Budget**

**Exhibit I**

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

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2023
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 186,928,833	\$ 182,737,411	\$ 4,191,422	2.3 %	\$ 2,173,045,809	\$ 2,166,711,247	\$ 6,334,562	0.3 %	\$ 2,166,711,247
Service Provider Tax	4,190,892	4,788,753	(597,861)	(12.5)%	51,464,619	52,062,521	(597,902)	(1.1)%	52,062,521
Individual Income Tax	254,972,184	251,066,573	3,905,611	1.6 %	2,473,478,947	2,430,727,867	42,751,080	1.8 %	2,430,727,867
Corporate Income Tax	72,096,389	30,672,078	41,424,311	135.1 %	451,211,056	395,188,198	56,022,858	14.2 %	395,188,198
Cigarette and Tobacco Tax	11,403,062	14,371,195	(2,968,133)	(20.7)%	149,909,124	151,977,357	(2,068,233)	(1.4)%	151,977,357
Insurance Companies Tax	35,956,367	35,765,425	190,942	0.5 %	114,172,706	110,810,000	3,362,706	3.0 %	110,810,000
Estate Tax	220,173	1,499,314	(1,279,141)	(85.3)%	30,117,577	31,400,000	(1,282,423)	(4.1)%	31,400,000
Fines, Forfeits & Penalties	2,260,102	425,400	1,834,702	431.3 %	10,576,399	8,916,686	1,659,713	18.6 %	8,916,686
Income from Investments	8,398,290	3,475,428	4,922,862	141.6 %	33,812,410	29,283,164	4,529,246	15.5 %	29,283,164
Transfer from Lottery Commission	5,467,786	5,115,381	352,405	6.9 %	72,084,673	66,500,000	5,584,673	8.4 %	66,500,000
Transfers for Tax Relief Programs	(436,394)	(203,311)	(233,083)	(114.6)%	(81,514,948)	(81,350,000)	(164,948)	(0.2)%	(81,350,000)
Transfer to Municipal Revenue Sharing	(22,416,979)	(20,053,654)	(2,363,325)	(11.8)%	(263,395,959)	(261,001,187)	(2,394,772)	(0.9)%	(261,001,187)
Other Taxes and Fees	17,079,602	14,124,477	2,955,125	20.9 %	152,641,514	152,448,015	193,499	0.1 %	152,448,015
Other Revenues	11,621,338	12,826,332	(1,204,994)	(9.4)%	11,888,085	10,736,705	1,151,380	10.7 %	10,736,705
<b>Total Collected</b>	<b>\$ 587,741,646</b>	<b>\$ 536,610,802</b>	<b>\$ 51,130,844</b>	<b>9.5 %</b>	<b>\$ 5,379,492,013</b>	<b>\$ 5,264,410,573</b>	<b>\$ 115,081,440</b>	<b>2.2 %</b>	<b>\$ 5,264,410,573</b>

**NOTES:**

- (1) Included in the above is \$22,416,979 for the month and \$263,395,959 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 May 2023, laws enacted through the 131st Legislature, 1st Regular Session and 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.

# STATE OF MAINE

## Undedicated Revenues - General Fund

For the Twelfth Month Ended June 30, 2023 and 2022

For the Fiscal Year Ending June 30, 2023 and 2022

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	\$ 186,928,833	\$ 212,095,895	\$ (25,167,063)	(11.9)%	\$ 2,173,045,809	\$ 2,078,875,746	\$ 94,170,064	4.5 %
Service Provider Tax	4,190,892	5,192,901	(1,002,009)	(19.3)%	51,464,619	51,328,641	135,978	0.3 %
Individual Income Tax	254,972,184	257,906,645	(2,934,460)	(1.1)%	2,473,478,947	2,580,656,661	(107,177,714)	(4.2)%
Corporate Income Tax	72,096,389	81,477,801	(9,381,412)	(11.5)%	451,211,056	415,817,438	35,393,618	8.5 %
Cigarette and Tobacco Tax	11,403,062	12,191,533	(788,471)	(6.5)%	149,909,124	146,424,162	3,484,963	2.4 %
Insurance Companies Tax	35,956,367	32,149,122	3,807,245	11.8 %	114,172,706	101,673,456	12,499,250	12.3 %
Estate Tax	220,173	538,619	(318,446)	(59.1)%	30,117,577	34,183,165	(4,065,589)	(11.9)%
Fines, Forfeits & Penalties	2,260,102	613,963	1,646,139	268.1 %	10,576,399	4,905,201	5,671,198	115.6 %
Income from Investments	8,398,290	2,582,434	5,815,857	225.2 %	33,812,410	9,023,821	24,788,589	274.7 %
Transfer from Lottery Commission	5,467,786	5,032,611	435,176	8.6 %	72,084,673	71,351,415	733,258	1.0 %
Transfers for Tax Relief Programs	(436,394)	(208,008)	(228,385)	(109.8)%	(81,514,948)	(78,022,118)	(3,492,830)	(4.5)%
Transfer to Municipal Revenue Sharing	(22,416,979)	(20,131,914)	(2,285,065)	(11.4)%	(263,395,959)	(232,362,929)	(31,033,029)	(13.4)%
Other Taxes and Fees	17,079,602	18,236,882	(1,157,280)	(6.3)%	152,641,514	160,147,600	(7,506,085)	(4.7)%
Other Revenues	11,621,338	21,202,508	(9,581,170)	(45.2)%	11,888,085	47,611,311	(35,723,226)	(75.0)%
Total Collected	\$ 587,741,646	\$ 628,880,991	\$ (41,139,345)	(6.5)%	\$ 5,379,492,013	\$ 5,391,613,569	\$ (12,121,557)	(0.2)%

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

# STATE OF MAINE

Undedicated Revenues - Highway Fund  
For the Twelfth Month Ended June 30, 2023  
For the Fiscal Year Ending June 30, 2023  
Comparison to Budget

Exhibit V

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

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2023
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 19,815,241	\$ 27,679,227	\$ (7,863,986)	(28.4)%	\$ 222,424,911	\$ 228,842,987	\$ (6,418,076)	(2.8)%	\$ 228,842,987
Motor Vehicle Registration & Fees	6,644,730	2,962,924	3,681,806	124.3 %	106,855,980	97,356,288	9,499,692	9.8 %	97,356,288
Motor Vehicle Inspection Fees	675,444	35,037	640,407	1,827.8 %	3,136,970	2,777,500	359,470	12.9 %	2,777,500
Miscellaneous Taxes & Fees	214,548	78,701	135,847	172.6 %	1,700,245	1,416,470	283,775	20.0 %	1,416,470
Fines, Forfeits & Penalties	101,191	50,538	50,653	100.2 %	1,212,226	606,412	605,814	99.9 %	606,412
Earnings on Investments	248,954	39,624	209,330	528.3 %	705,724	453,320	252,404	55.7 %	453,320
All Other	715,509	564,666	150,843	26.7 %	13,500,345	13,123,353	376,992	2.9 %	13,123,353
Total Collected	\$ 28,415,617	\$ 31,410,717	\$ (2,995,100)	(9.5)%	\$ 349,536,401	\$ 344,576,330	\$ 4,960,071	1.4 %	\$ 344,576,330

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

# STATE OF MAINE

## Undedicated Revenues - Highway Fund

For the Twelfth Month Ended June 30, 2023 and 2022

For the Fiscal Year Ending June 30, 2023 and 2022

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	\$ 19,815,241	\$ 18,925,608	\$ 889,633	4.7 %	\$ 222,424,911	\$ 222,781,779	\$ (356,868)	(0.2)%
Motor Vehicle Registration & Fees	6,644,730	6,765,094	(120,364)	(1.8)%	106,855,980	102,460,134	4,395,846	4.3 %
Motor Vehicle Inspection Fees	675,444	534,446	140,998	26.4 %	3,136,970	2,920,344	216,626	7.4 %
Miscellaneous Taxes & Fees	214,548	194,034	20,514	10.6 %	1,700,245	1,693,892	6,352	0.4 %
Fines, Forfeits & Penalties	101,191	113,662	(12,471)	(11.0)%	1,212,226	1,381,965	(169,739)	(12.3)%
Earnings on Investments	248,954	33,549	215,405	642.1 %	705,724	189,723	516,002	272.0 %
All Other	715,509	530,896	184,613	34.8 %	13,500,345	13,427,987	72,358	0.5 %
Total Collected	\$ 28,415,617	\$ 27,097,289	\$ 1,318,328	4.9 %	\$ 349,536,401	\$ 344,855,823	\$ 4,680,577	1.4 %

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

**STATE OF MAINE**  
**Undedicated Revenues - General Fund**  
**For the Fourth Month Ended October 31, 2023**  
**For the Fiscal Year Ending June 30, 2024**  
**Comparison to Budget**

**Exhibit I**

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

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2024
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 211,048,543	\$ 201,957,888	\$ 9,090,655	4.5 %	\$ 878,910,791	\$ 831,031,451	\$ 47,879,340	5.8 %	\$ 2,190,029,171
Service Provider Tax	4,575,669	4,353,243	222,426	5.1 %	17,855,209	17,025,922	829,287	4.9 %	49,212,224
Individual Income Tax	200,819,122	179,782,254	21,036,868	11.7 %	809,807,875	799,044,613	10,763,262	1.3 %	2,394,473,715
Corporate Income Tax	18,385,611	9,925,617	8,459,994	85.2 %	122,275,352	114,815,689	7,459,663	6.5 %	355,623,000
Cigarette and Tobacco Tax	14,003,194	13,555,342	447,852	3.3 %	56,363,036	55,131,852	1,231,184	2.2 %	156,599,546
Insurance Companies Tax	10,409,205	9,239,091	1,170,114	12.7 %	11,391,964	10,769,535	622,429	5.8 %	114,490,000
Estate Tax	373,468	2,109,502	(1,736,034)	(82.3)%	3,399,514	8,522,488	(5,122,974)	(60.1)%	25,400,000
Fines, Forfeits & Penalties	967,468	778,545	188,923	24.3 %	3,678,436	4,750,631	(1,072,195)	(22.6)%	16,293,650
Income from Investments	4,918,488	2,120,373	2,798,115	132.0 %	14,487,880	6,329,989	8,157,891	128.9 %	26,939,649
Transfer from Lottery Commission	1,967,191	4,905,660	(2,938,469)	(59.9)%	23,689,054	22,075,472	1,613,582	7.3 %	65,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(424,425)	(229,034)	(195,391)	(85.3)%	(3,647,768)	(229,034)	(3,418,734)	(1,492.7)%	(84,490,000)
Transfer to Municipal Revenue Sharing	(29,259,769)	(28,895,422)	(364,347)	(1.3)%	(95,610,429)	(91,767,668)	(3,842,761)	(4.2)%	(252,841,376)
Auto Sales Tax Transfer to Highway Fund	(53,456,007)	(50,006,825)	(3,449,182)	(6.9)%	(107,534,228)	(101,861,600)	(5,672,628)	(5.6)%	(101,861,600)
Other Taxes and Fees	25,005,063	22,645,208	2,359,855	10.4 %	55,370,050	51,371,271	3,998,779	7.8 %	147,241,194
Other Revenues	(9,564,070)	(10,589,323)	1,025,253	9.7 %	(28,134,088)	(29,427,668)	1,293,580	4.4 %	961,158
<b>Total Collected</b>	<b>\$ 399,768,752</b>	<b>\$ 361,652,119</b>	<b>\$ 38,116,633</b>	<b>10.5 %</b>	<b>\$ 1,769,302,648</b>	<b>\$ 1,704,582,943</b>	<b>\$ 64,719,705</b>	<b>3.8 %</b>	<b>\$ 5,110,070,331</b>

**NOTES:**

- (1) Included in the above is \$29,259,769 for the month and \$95,610,429 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 May 2023, laws enacted through the 131st Legislature, 1st Regular Session and 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.

# STATE OF MAINE

## Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2023 and 2022

For the Fiscal Year Ending June 30, 2024 and 2023

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	\$ 211,048,543	\$ 204,119,083	\$ 6,929,461	3.4 %	\$ 878,910,791	\$ 848,275,792	\$ 30,634,999	3.6 %
Service Provider Tax	4,575,669	5,534,994	(959,325)	(17.3)%	17,855,209	17,942,844	(87,635)	(0.5)%
Individual Income Tax	200,819,122	191,647,428	9,171,694	4.8 %	809,807,875	787,235,526	22,572,349	2.9 %
Corporate Income Tax	18,385,611	10,095,617	8,289,994	82.1 %	122,275,352	131,186,078	(8,910,726)	(6.8)%
Cigarette and Tobacco Tax	14,003,194	10,085,649	3,917,545	38.8 %	56,363,036	52,786,484	3,576,553	6.8 %
Insurance Companies Tax	10,409,205	9,410,167	999,038	10.6 %	11,391,964	11,101,180	290,784	2.6 %
Estate Tax	373,468	4,893,999	(4,520,531)	(92.4)%	3,399,514	21,331,868	(17,932,354)	(84.1)%
Fines, Forfeits & Penalties	967,468	116,283	851,186	732.0 %	3,678,436	2,629,461	1,048,975	39.9 %
Income from Investments	4,918,488	1,763,751	3,154,737	178.9 %	14,487,880	4,793,748	9,694,132	202.2 %
Transfer from Lottery Commission	1,967,191	6,675,164	(4,707,973)	(70.5)%	23,689,054	24,050,275	(361,221)	(1.5)%
Transfer from Liquor Commission	-	-	-	- %	7,000,000	-	7,000,000	- %
Transfers for Tax Relief Programs	(424,425)	(229,171)	(195,254)	(85.2)%	(3,647,768)	(1,550,061)	(2,097,707)	(135.3)%
Transfer to Municipal Revenue Sharing	(29,259,769)	(29,343,598)	83,829	0.3 %	(95,610,429)	(96,507,508)	897,079	0.9 %
Auto Sales Tax Transfer to Highway Fund	(53,456,007)	-	(53,456,007)	- %	(107,534,228)	-	(107,534,228)	- %
Other Taxes and Fees	25,005,063	21,068,607	3,936,456	18.7 %	55,370,050	50,488,022	4,882,028	9.7 %
Other Revenues	(9,564,070)	(9,872,960)	308,890	3.1 %	(28,134,088)	(21,275,903)	(6,858,185)	(32.2)%
<b>Total Collected</b>	<b>\$ 399,768,752</b>	<b>\$ 425,965,012</b>	<b>\$ (26,196,261)</b>	<b>(6.1)%</b>	<b>\$ 1,769,302,648</b>	<b>\$ 1,832,487,807</b>	<b>\$ (63,185,159)</b>	<b>(3.4)%</b>

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

**STATE OF MAINE**  
**Undedicated Revenues - Highway Fund**  
**For the Fourth Month Ended October 31, 2023**  
**For the Fiscal Year Ending June 30, 2024**  
**Comparison to Budget**

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

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2024
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 19,172,949	\$ 19,286,308	\$ (113,359)	(0.6)%	\$ 79,675,777	\$ 71,742,651	\$ 7,933,126	11.1 %	\$ 222,871,844
Motor Vehicle Registration & Fees	4,863,013	8,879,677	(4,016,664)	(45.2)%	34,967,361	32,775,560	2,191,801	6.7 %	94,237,008
Motor Vehicle Inspection Fees	33,117	265,215	(232,098)	(87.5)%	556,765	1,060,860	(504,096)	(47.5)%	3,182,600
Miscellaneous Taxes & Fees	56,507	110,169	(53,662)	(48.7)%	392,657	481,246	(88,589)	(18.4)%	1,429,470
Fines, Forfeits & Penalties	82,100	57,293	24,807	43.3 %	363,552	244,640	118,912	48.6 %	606,492
Earnings on Investments	122,838	40,173	82,665	205.8 %	370,721	291,897	78,824	27.0 %	613,276
Auto Sales Tax Transfer	53,456,007	50,006,825	3,449,182	6.9 %	107,534,228	101,861,600	5,672,628	5.6 %	101,861,600
Transfer from Liquor Commission	8,364,754	5,000,000	3,364,754	67.3 %	21,163,538	13,000,000	8,163,538	62.8 %	53,000,000
All Other	208,257	411,402	(203,145)	(49.4)%	1,596,315	2,032,099	(435,784)	(21.4)%	11,911,285
<b>Total Collected</b>	<b>\$ 86,359,543</b>	<b>\$ 84,057,062</b>	<b>\$ 2,302,481</b>	<b>2.7 %</b>	<b>\$ 246,620,915</b>	<b>\$ 223,490,553</b>	<b>\$ 23,130,362</b>	<b>10.3 %</b>	<b>\$ 489,713,575</b>

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

## STATE OF MAINE

Undedicated Revenues - Highway Fund  
 For the Fourth Month Ended October 31, 2023 and 2022  
 For the Fiscal Year Ending June 30, 2024 and 2023  
 Comparison to To Prior Year

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	\$ 19,172,949	\$ 19,813,995	\$ (641,046)	(3.2)%	\$ 79,675,777	\$ 80,794,359	\$ (1,118,582)	(1.4)%
Motor Vehicle Registration & Fees	4,863,013	9,835,259	(4,972,246)	(50.6)%	34,967,361	36,791,280	(1,823,919)	(5.0)%
Motor Vehicle Inspection Fees	33,117	217,397	(184,280)	(84.8)%	556,765	409,513	147,252	36.0 %
Miscellaneous Taxes & Fees	56,507	149,158	(92,651)	(62.1)%	392,657	588,913	(196,256)	(33.3)%
Fines, Forfeits & Penalties	82,100	104,953	(22,853)	(21.8)%	363,552	448,165	(84,613)	(18.9)%
Earnings on Investments	122,838	44,708	78,131	174.8 %	370,721	109,287	261,434	239.2 %
Auto Sales Tax Transfer	53,456,007	-	53,456,007	- %	107,534,228	-	107,534,228	- %
Transfer from Liquor Commission	8,364,754	-	8,364,754	- %	21,163,538	-	21,163,538	- %
All Other	208,257	436,556	(228,300)	(52.3)%	1,596,315	2,174,608	(578,293)	(26.6)%
Total Collected	\$ 86,359,543	\$ 30,602,026	\$ 55,757,517	182.2 %	\$ 246,620,915	\$ 121,316,124	\$ 125,304,790	103.3 %

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

# Sales & Use Tax and Service Provider Tax

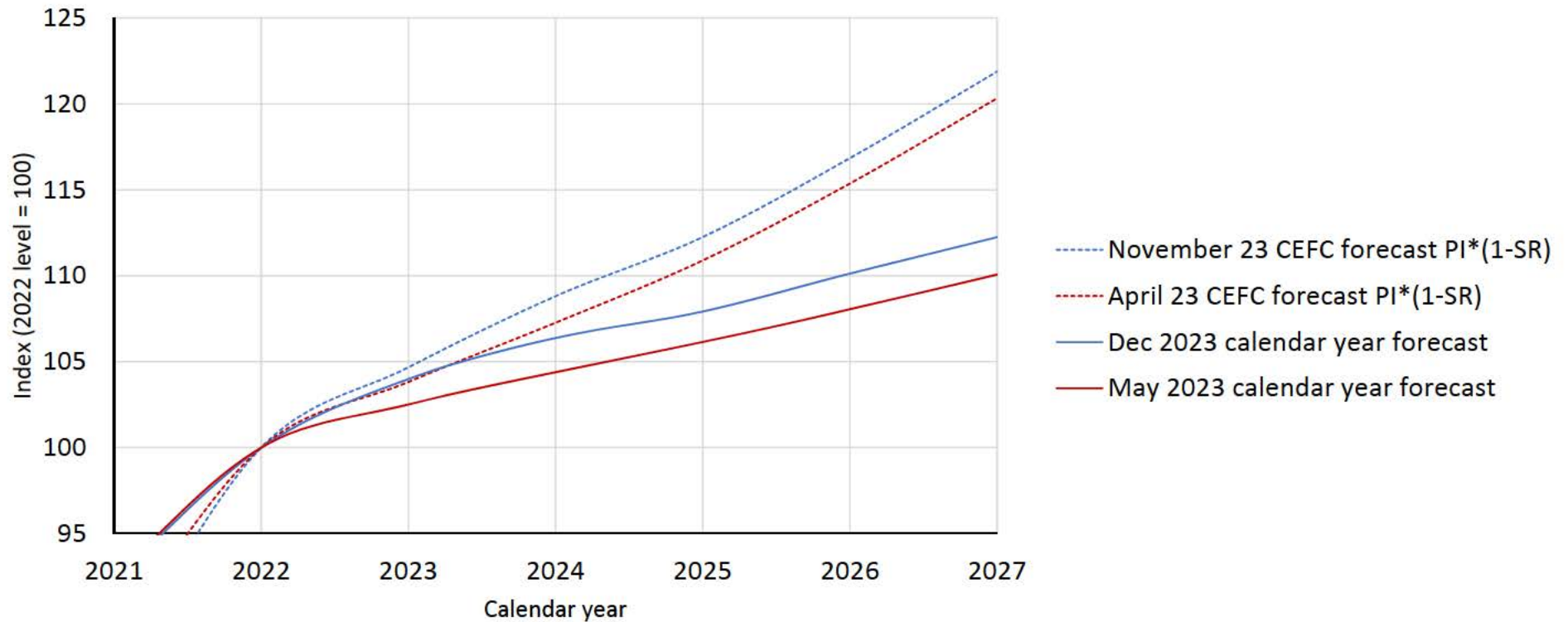
# Sales Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Variance/ Revision (\$)	Variance/ Revision (%)
2019	\$1,503.8	5.6%		
2020	\$1,555.7	3.5%		
2021	\$1,804.2	16.0%		
2022	\$2,078.9	15.2%		
2023	\$2,173.0	4.5%	\$6.3	0.3%
2024	\$2,247.4	3.4%	\$57.4	2.6%
2025	\$2,280.3	1.5%	\$43.2	1.9%
2026	\$2,320.5	1.8%	\$46.7	2.1%
2027	\$2,373.2	2.3%	\$52.8	2.3%

- Main source of revision: Unexpected resilience of consumer spending
- FY24 revenue through October \$47.9 million over budget

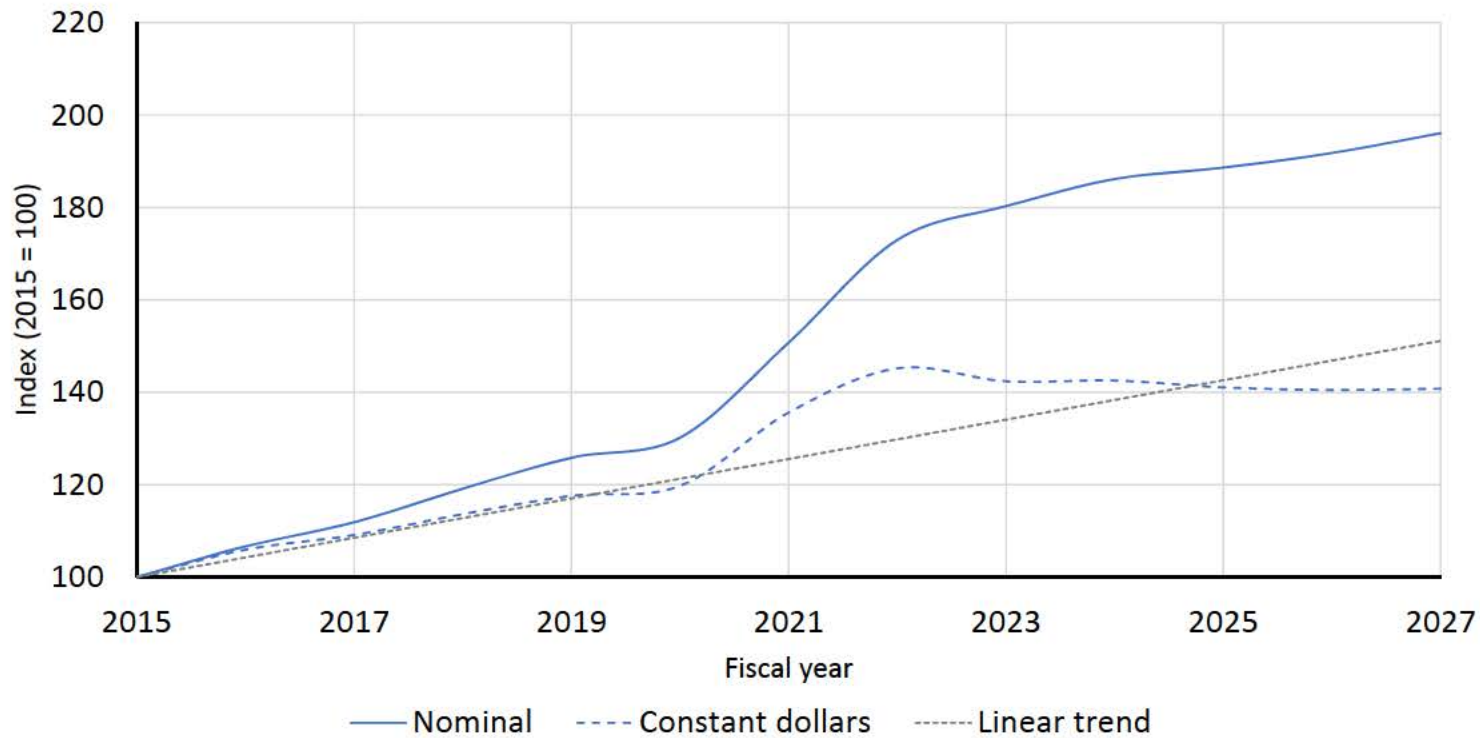
# Forecast of Revenue and Consumer Spending



- New CEFC forecast features greater consumer spending growth in CY2023-24 compared to previous forecast.

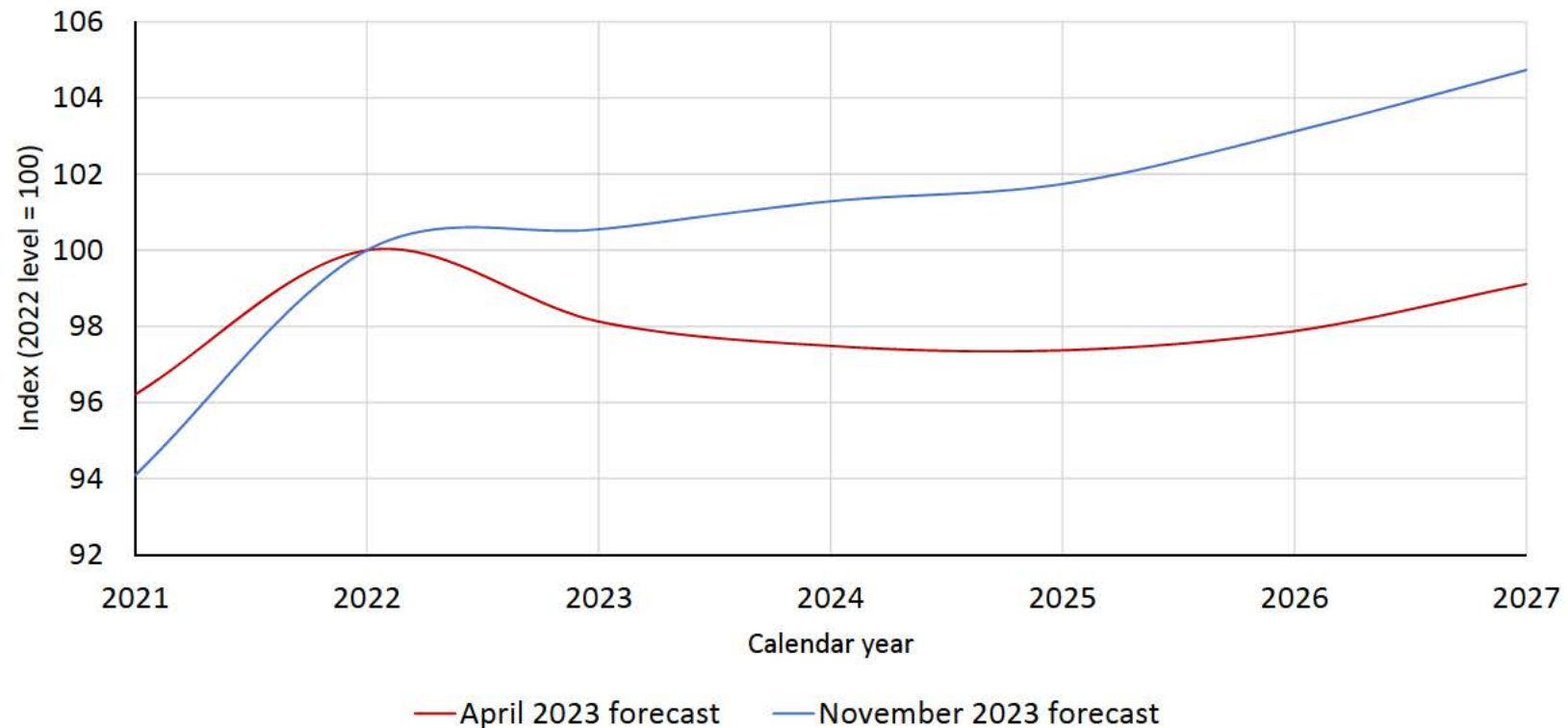
# Sales & Use Tax Revenue by Fiscal Year

Actual and December 2023 forecast recommendations (2015=100)



- 7.7% average annual growth in nominal revenue FY 2015 – 2023
- 2.0% average annual growth in nominal revenue FY 2023 – 2027

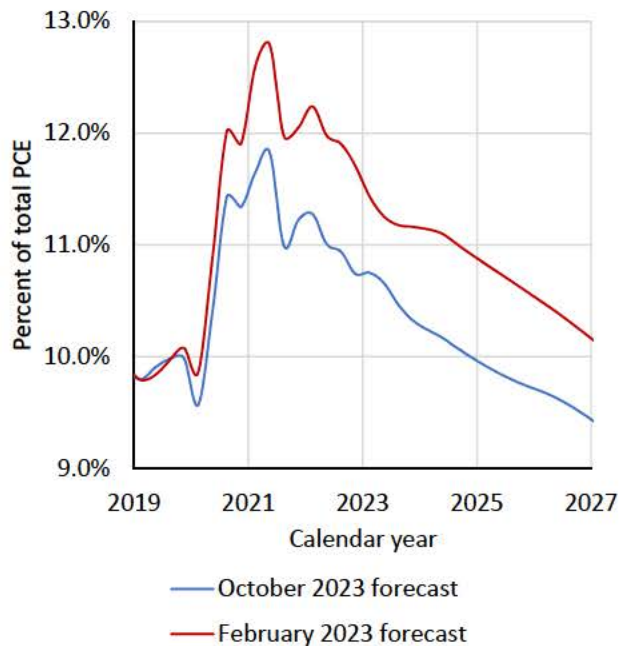
## CEFC forecast—Real consumer spending by calendar year



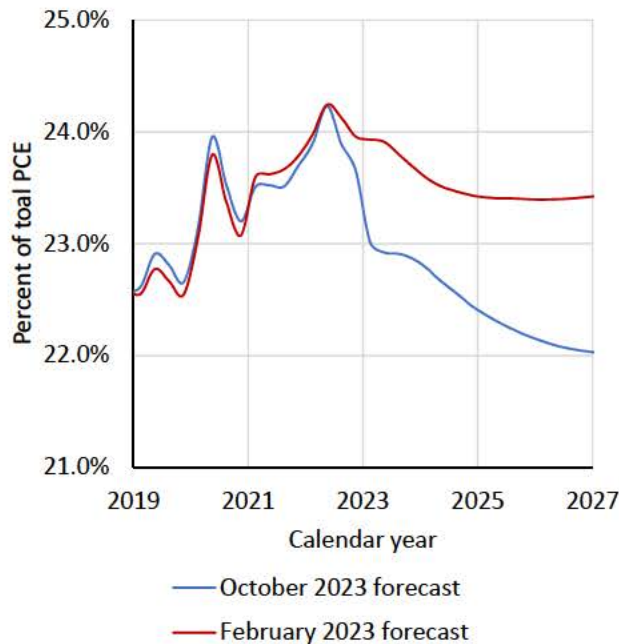
- Lower inflation, higher personal income, and lower personal saving in new CEFC forecast imply continuing, though modest, growth in real spending

# PCE Composition – Moody's baseline forecast

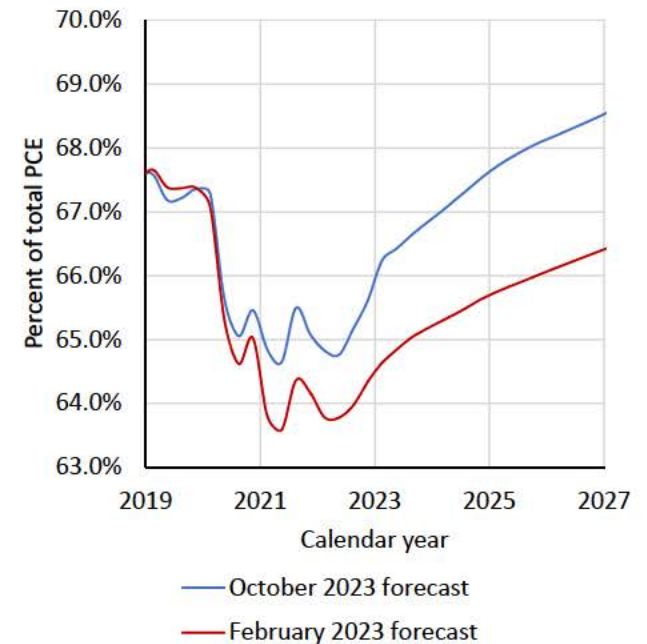
Durable goods



Nondurable goods



Services



- Continuing shift from goods to services causes real sales tax revenue to keep declining despite continued growth in total real spending

# Source of Forecast Adjustments

\$million  
(%)

	2023	2024	2025	2026	2027
<b>Non-auto 5.5% Sales</b>	\$6.7 (0.5%)	\$13.5 (1.0%)	\$9.0 (0.7%)	\$12.6 (0.9%)	\$20.1 (1.4%)
<b>Auto Sales 5.5%</b>	-\$0.9 (-0.3%)	\$13.5 (4.7%)	\$17.8 (6.1%)	\$18.6 (6.4%)	\$18.6 (6.3%)
<b>Lodging 9%</b>	\$2.6 (1.6%)	\$1.9 (1.1%)	\$2.8 (1.6%)	\$3.4 (1.9%)	\$5.0 (2.8%)
<b>Prepared Food 8%</b>	\$5.5 (1.6%)	\$21.0 (6.2%)	\$19.5 (5.6%)	\$19.1 (5.3%)	\$18.7 (5.0%)
<b>Short-term auto rental 10%</b>	-\$0.01 (-0.1%)	\$2.2 (13.8%)	\$2.1 (13.4%)	\$2.0 (12.8%)	\$1.7 (10.2%)
<b>Adult use cannabis 10%</b>	-\$0.3 (-1.4%)	-\$5.1 (-18.2%)	-\$7.7 (-23.0%)	-\$10.5 (-27.0%)	-\$13.6 (-31.3%)

# Service Provider Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$59.01	-0.99%		
2020	\$58.01	-1.70%		
2021	\$51.35	-11.48%		
2022	\$51.56	0.41%		
2023	\$51.46	-0.19%	-\$0.60	-1.15%
2024	\$49.11	-4.58%	-\$0.10	-0.21%
2025	\$47.39	-3.51%	-\$0.36	-0.75%
2026	\$45.94	-3.04%	-\$0.35	-0.76%
2027	\$44.52	-3.11%	-\$0.36	-0.80%

- In FY2024 through October tax liability is below the May forecast, but actual revenue is above forecast
- December forecast assumes payments will return to more historically normal patterns, with faster long-run decline than the May forecast

# Individual Income Tax

# Individual Income Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$1,701.0	6.6%		
2020	\$1,836.0	7.9%		
2021	\$2,069.7	12.7%		
2022	\$2,580.7	24.7%		
2023	\$2,473.5	-4.2%		
2024	\$2,436.1	-1.5%	\$41.6	1.74%
2025	\$2,476.5	1.7%	\$75.5	3.14%
2026	\$2,574.5	4.0%	\$81.6	3.27%
2027	\$2,720.3	5.7%	\$104.5	4.00%

# Individual Income Tax Main Points

- New wage and inflation forecasts have significant positive effects on the revenue forecast.
- We are recommending increases to the nonresident tax liability forecast.
- Nonwage income forecast changes, such as capital gains and business income, are relatively minor factors in the recommended revisions.
- Tax policy and other non-economic factors reduce revenue growth in FY 2024 and especially in FY 2025.

# Individual Income Tax Revenue (\$million)

	Calendar Year Revenue Through October				Variance Since May 1st Forecast		
	2022	2023	Growth		FY 23	FY 24	Total
Primarily TY 23 vs. TY 22:							
Withholding*	\$1,614.8	\$1,706.5	5.7%		\$8.2	\$10.0	\$18.2
Estimated Payments**	\$331.5	\$292.1	-11.9%		\$8.7	-\$22.7	-\$14.0
EP + WH	\$1,946.3	\$1,998.6	2.7%		\$16.9	-\$12.7	\$4.2
Primarily TY 22 vs. TY 21:							
Payments	\$659.5	\$509.7	-22.7%		\$11.0	\$34.1	\$45.0
Refunds	-\$480.2	-\$574.4	19.6%		\$16.6	-\$5.7	\$10.9
Payments + Refunds	\$179.3	-\$64.7	-136.1%		\$27.6	\$28.4	\$56.0
Fiduciary	\$36.3	\$1.6	-95.7%		-\$1.7	-\$5.0	-\$6.7
Total	\$2,161.9	\$1,935.4	-10.5%		\$42.8	\$10.8	\$53.5

\*Excludes certain one-time revenue in FY 2023.

\*\*February – October revenue. Some revenue booked in early February is reallocated to January in both years.

# Influences on Income Tax Growth Rates Unrelated to Economic/Income Forecast

- FY 2024 revenue growth is approximately 2 percentage points higher if we disregard revenue from atypical one-time events in FY 2023.
- Policy changes significantly reduce tax year 2024 growth, impacting FY 24 and primarily FY 25 revenues
  - New forecast assumes TY 2024 full-year resident tax liability growth of  $-0.7\%$ .
  - Under a constant 2022 policy scenario, forecast growth would be  $4.5\%$ .
- Policy changes
  - Pension deduction maximum: \$25,000 in TY 2022, \$30,000 in TY 2023, and then increases to \$45,864 in TY 2024
  - Property Tax Fairness Credit increased generosity for taxpayers aged 65+ beginning TY 2024.
  - Dependent tax credit becomes refundable in 2024 and adjusted for inflation starting in 2025
  - The end of the student loan repayment pause results in large increases in the student loan repayment credit in TYs 2023 and 2024
    - 2022 – 2024 SLRTC forecast is \$33, \$64, and \$87 million

# New CEFC Forecast: Key Changes

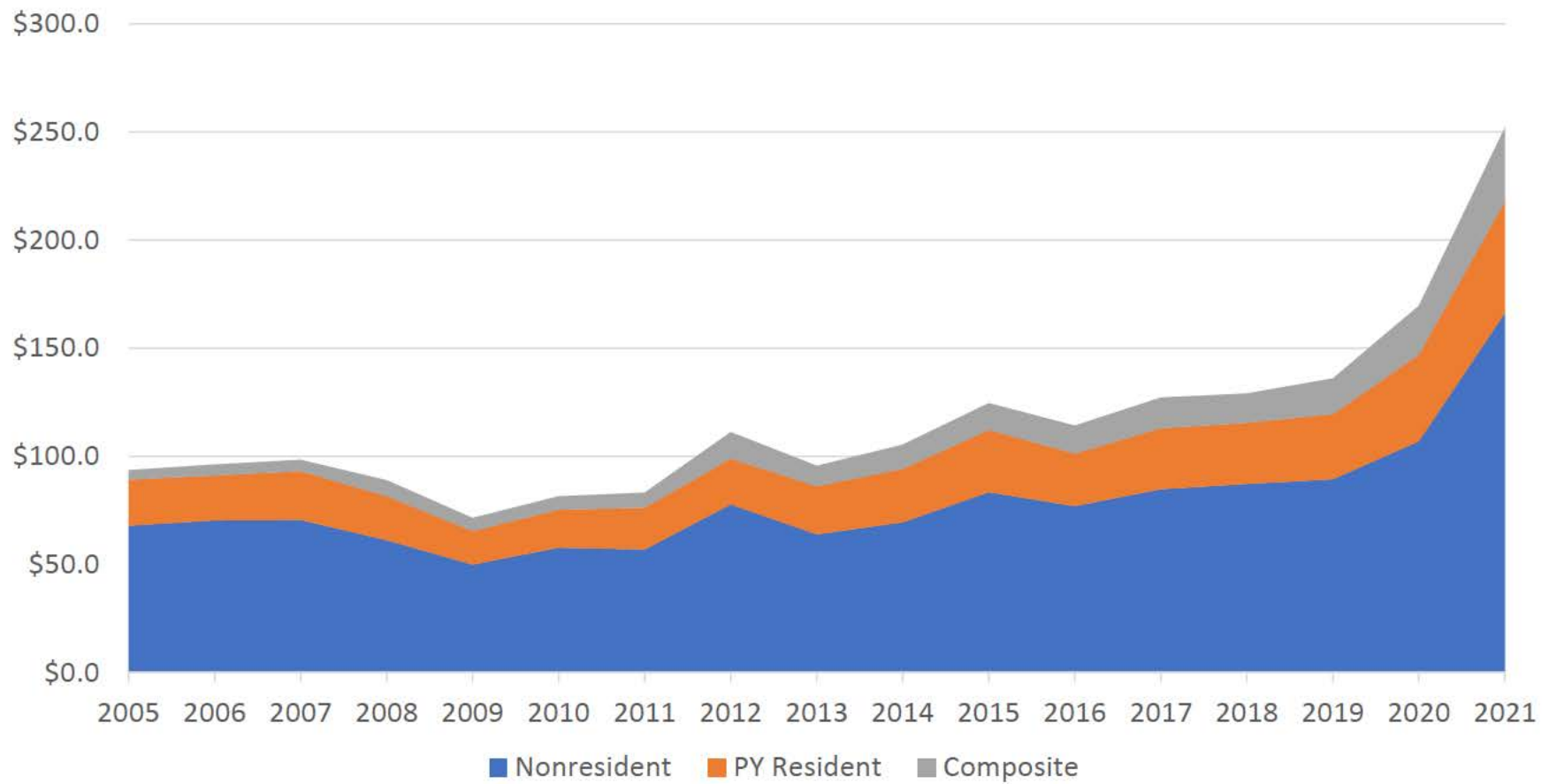
Calendar Years	2023	2024	2025	2026	2027
Wage and Salary Income (Annual Percentage Change)					
CEFC Forecast 04/2023	6.0%	5.0%	4.0%	4.3%	4.3%
CEFC Forecast 11/2023	7.5%	5.0%	4.0%	4.3%	4.3%
CPI (Annual Percentage Change)					
CEFC Forecast 04/2023	5.8%	4.0%	3.5%	3.5%	3.0%
CEFC Forecast 11/2023	4.1%	3.2%	2.7%	2.7%	2.7%

# Full-year Resident Tax Liability: Impact of New Wage and Cost of Living Adjustment Forecasts (\$million)

Tax Year	COLAs	Wages
2023	\$0	\$35.4
2024	\$12.2	\$37.4
2025	\$38.6	\$38.9
2026	\$28.0	\$40.9
2027	\$59.2	\$42.9

- 1) Each column equals the new forecast of tax liability minus forecasted liability under all new assumptions except the COLA or wages.
- 2) The COLA forecast is based on the calendar year CPI forecast from the CEFC plus assumptions concerning quarterly inflation and the relationship between chained and regular CPI growth.

Tax Liability on Nonresident, Part-year, and Composite Tax Returns by Tax Year  
(\$million)



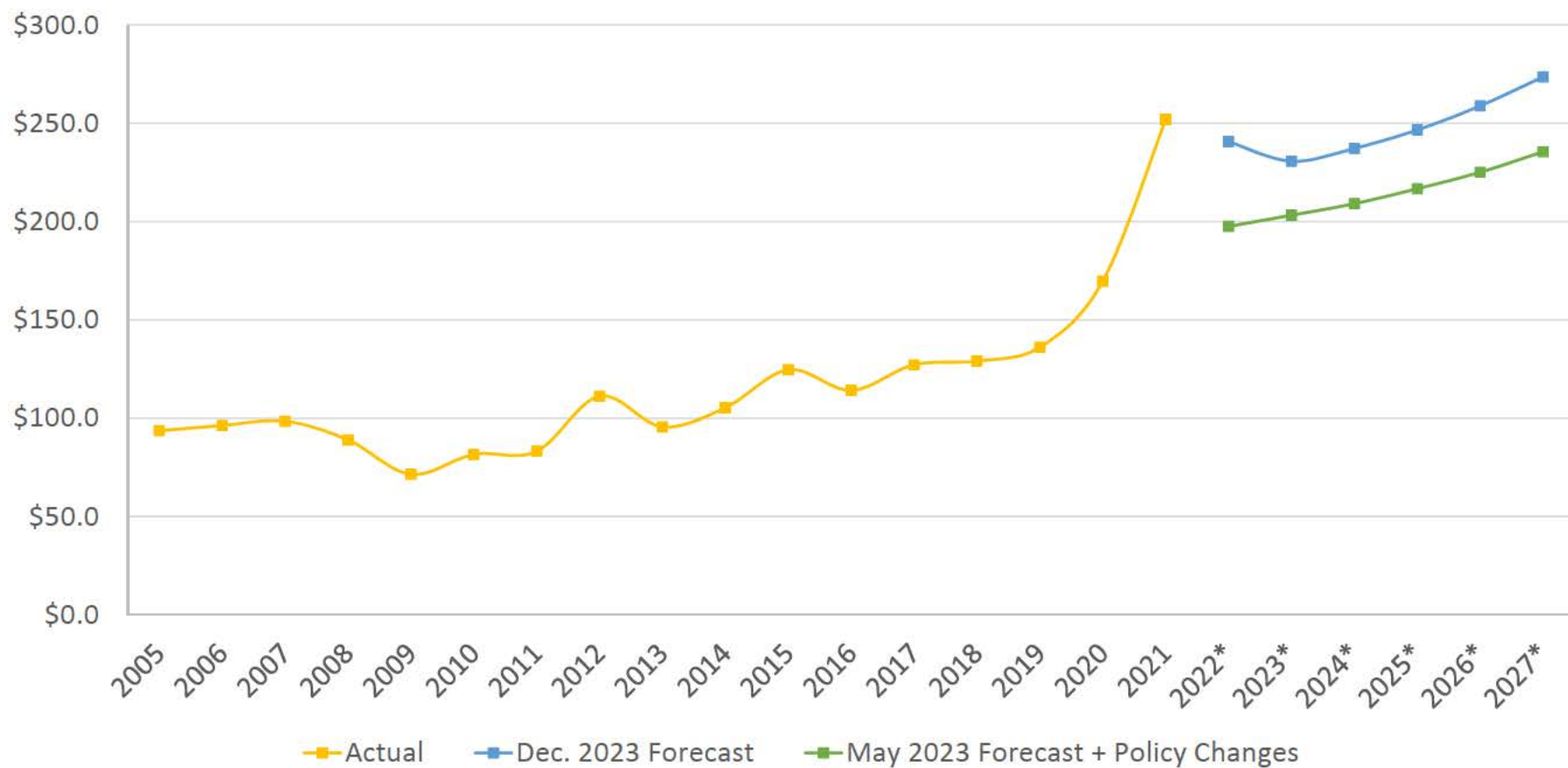
# Income Tax Liability Before Refundable Credits 2019-21 and 2022 Assumptions by Residency

(\$Million)

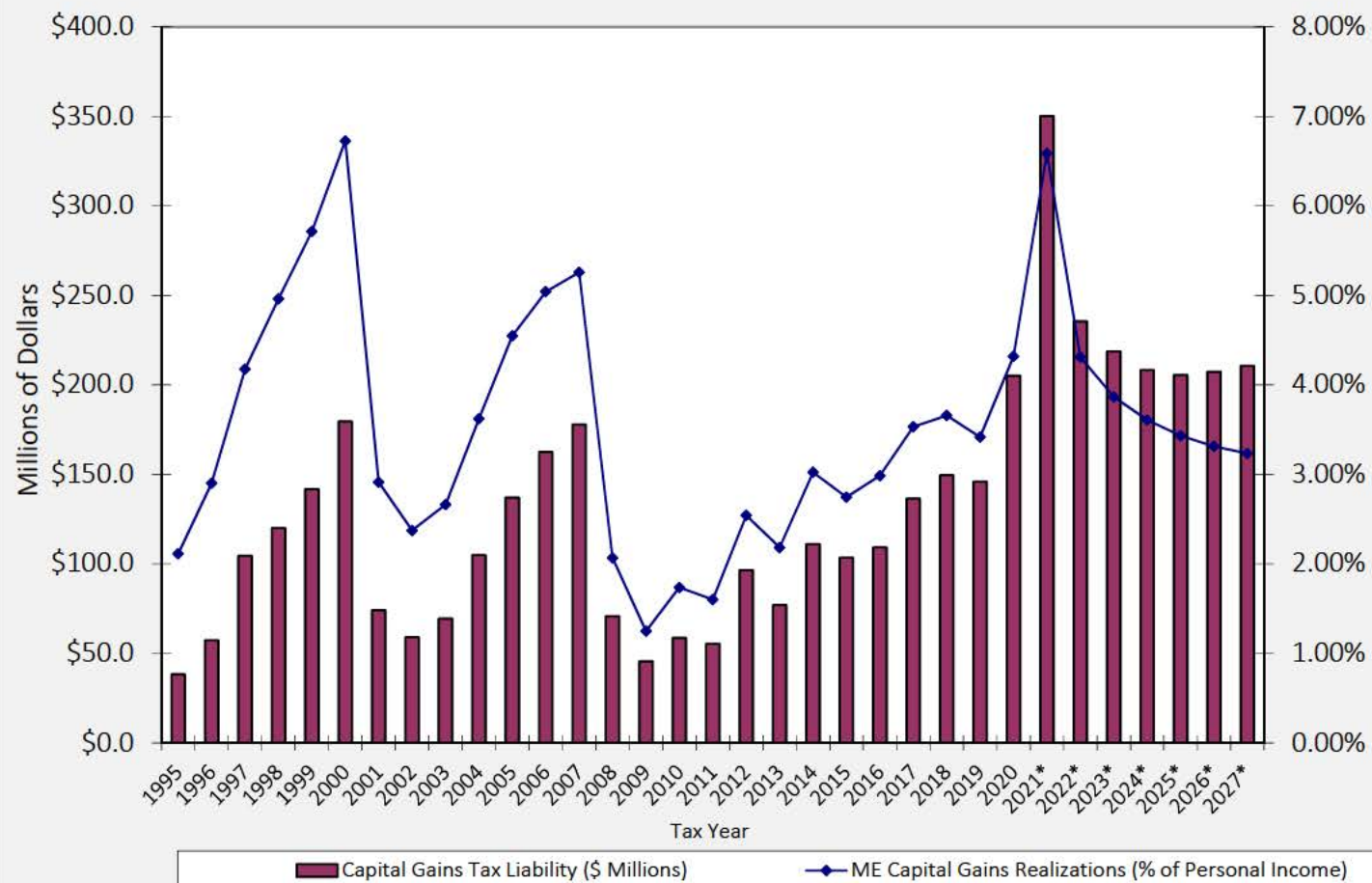
				May 1st Forecast		Dec. 1st Forecast	
	2019	2021	2019-21 Growth	2022	2021-22 Growth	2022	2021-22 Growth
Nonresident	\$89.4	\$166.2	86.0%				
Part-year Resident	\$30.1	\$51.6	71.4%				
Composite	\$16.6	\$34.1	105.5%				
Total Not Full-Year Resident	\$136.1	\$251.9	85.1%	\$196.8	-21.9%	\$241.1	-4.3%
FY Resident	\$1,613.5	\$2,203.9	36.6%	\$2,216.5	0.6%	\$2,195.1	-0.4%

The current 2022 tax liability forecast is based on returns filed and posted through mid-November 2023 and assumptions on 2022 tax liability growth between mid-November 2023 and August 2026. The assumptions about how 2022 tax liability will evolve over time involve a heightened level of uncertainty due to MRS system and process changes that were implemented just prior to the October 15<sup>th</sup> extension return deadline. 2022 total tax liability and the resident-nonresident split may change over time as more suspended returns are released and return adjustments are made.

Income Tax Liability History and Forecast Other Than Full-Year Resident by Tax Year  
(\$million)



# Taxes from Net Capital Gains and Net Capital Gains as Percent of Personal Income



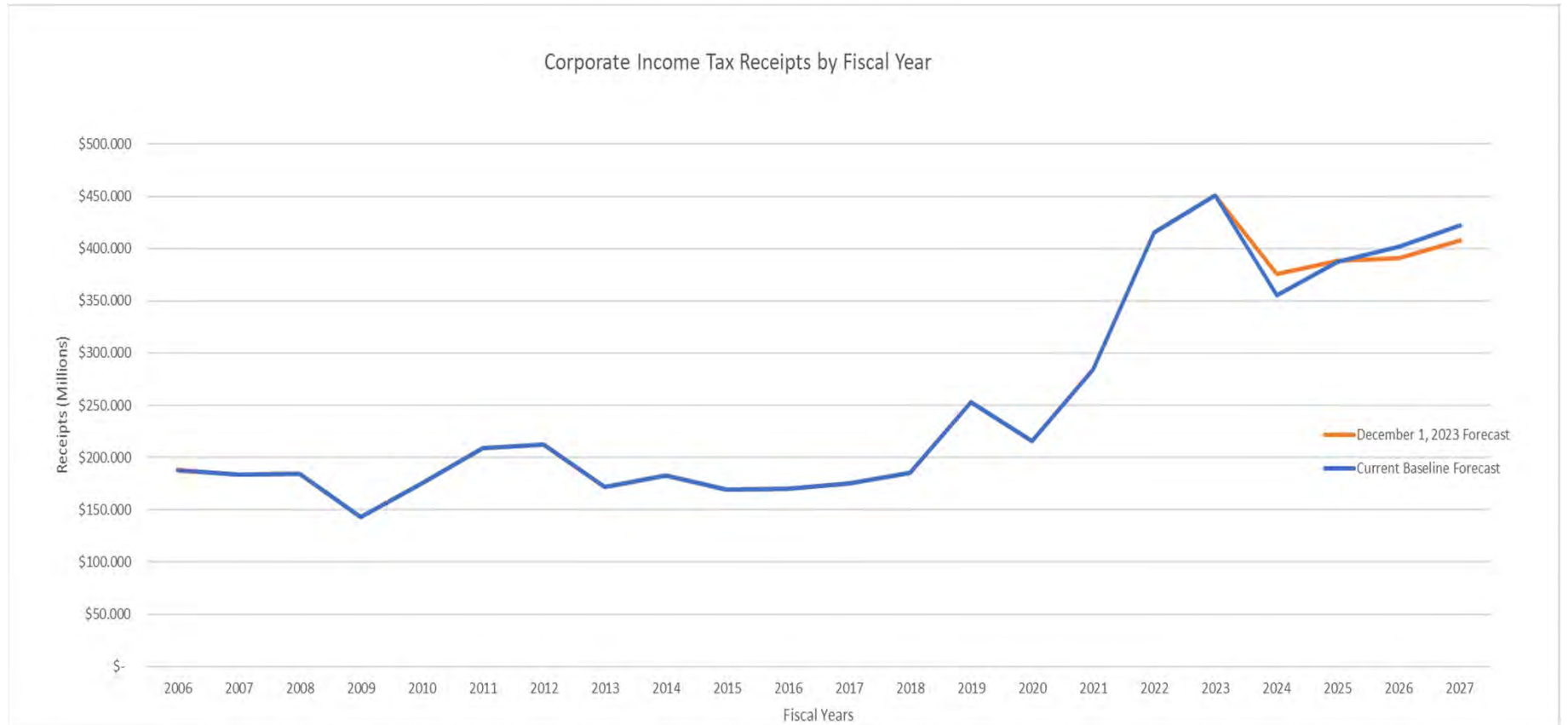
# Forecast Risks

- Capital gains and business income forecasts
- Nonresident tax liability
- New tax credits with uncertain costs
  - Student loan repayment credit
    - Take up
    - Impact of income-driven repayment changes and other federal relief
  - Dirigo Credit
    - Both corporate and individual income tax
    - Main impact begins FY 2026
- Refunds for tax year 2022 extension returns

# Looking forward to the next forecast

- The final estimated payment will influence our thinking about 2023 nonwage income
- Hope to have more clarity about 2022 extension return tax liability by residency and income growth by source

# Corporate Income Tax



Assumed increase in TY22 liability of 30%, recognition of impact of conformity to federal amortization of R&D expenses, and lower increase in corporate pre-tax profits in tax years 2025-27.

Both forecasts include impact of DIRIGO business incentive enacted in biennial budget.

# Other Taxes

# Estate Tax

Actual				May 1, 2023 Forecast				December 1, 2023 Forecast				
Calendar Year	Exemption Amount	Liability /1	Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts /3	Difference
2018	\$ 5,600,000	\$ 22,055,650	\$ 13,801,409									
2019	\$ 5,700,000	\$ 14,143,679	\$ 15,851,350									
2020	\$ 5,800,000	\$ 44,293,194	\$ 21,079,344									
2021	\$ 5,870,000	\$ 47,136,869	\$ 40,399,594									
2022	\$ 6,010,000	\$ 8,200,000/2	\$ 34,183,165		-5.5%	\$ 25,651,944			-3.0%	\$28,552,259		
2023	\$ 6,410,000		\$ 30,117,577		2.2%	\$ 25,314,026	\$ 31,400,000		6.2%	\$30,360,543		\$ (1,282,423)
2024	\$ 6,800,000			\$ 6,780,000	1.4%	\$ 24,716,272	\$ 25,400,000	\$6,800,000	1.8%	\$29,936,459	\$23,600,000	\$ (1,800,000)
2025				\$ 7,050,000	2.7%	\$ 25,136,890	\$ 24,850,000	\$7,020,000	2.0%	\$30,276,431	\$30,050,000	\$ 5,200,000
2026				\$ 7,300,000	3.5%	\$ 26,071,290	\$ 25,000,000	\$7,210,000	3.1%	\$31,383,454	\$30,200,000	\$ 5,200,000
2027				\$ 7,560,000	3.6%		\$ 25,150,000	\$7,400,000	3.5%		\$30,275,000	\$ 5,125,000
1/ Subject to change because of amended returns												
/2 Through November 10, 2023												
3/ Includes actual receipts through October 31,2023												

- Stronger growth in Household Net Worth in CY23 and CY24, and slightly lower exemption amount in CY25-27 because of lower inflation forecast account for increase in revenue forecast after FY24.

# Real Estate Transfer Tax

- Total RETT + CITT revenue is 4.4% below budget and 12.4% below last year FYTD through October.
- New forecast recommendation reduces General Fund revenue by 4% in FY 24 and |adjustments| <2% per year after FY 24

Forecasts of Home Prices and Sales Used in Current and Prior Revenue Forecast					
	Existing Median Home Price			Existing single-family home sales	
	Feb. 23	Nov. 23		Feb. 23	Nov. 23
2023	-2.5%	11.0%		-7.4%	-19.1%
2024	-3.7%	0.5%		15.3%	-1.2%
2025	-0.8%	-2.5%		-4.2%	10.1%
2026	2.5%	0.3%		-4.3%	-1.3%
2027	3.2%	2.6%		5.9%	-1.8%

# BETE

- Reduce FY 24 reimbursement forecast by \$2.76 million and carry that adjustment through forecast.
- Reduction is motivated by partial 2023 MVR data showing only a 2.4% increase in BETE reimbursement requests for towns accounting for 72% of property tax year 2022 BETE reimbursement.
  - Slow growth due to declines in mill rates and share of BETE property eligible for reimbursement. Increasing total valuation and residential share of total valuation is likely responsible.

Growth Rates 2022-23 MVR, towns with completed MVR in 2022 and 2023	
Value of all BETE Property	7.90%
Share of BETE that is reimbursable	-1.40%
Weighted Mill Rate	-3.80%
BETE Reimbursement Request	2.40%

Weighted mill rate: Average mill rate weighted by 2022 reimbursable BETE property.

Ignoring details concerning TIFs, BETE reimbursement = BETE property value\* $[\frac{1}{2} + \frac{1}{2} \times \text{personal property factor} \times (\text{personal property factor} > .05)] \times \text{mill rate}$ . The personal property factor is increasing with personal property share of total valuation.

Adding 1 to each cell, the product of the first three rows equals reimbursement growth.

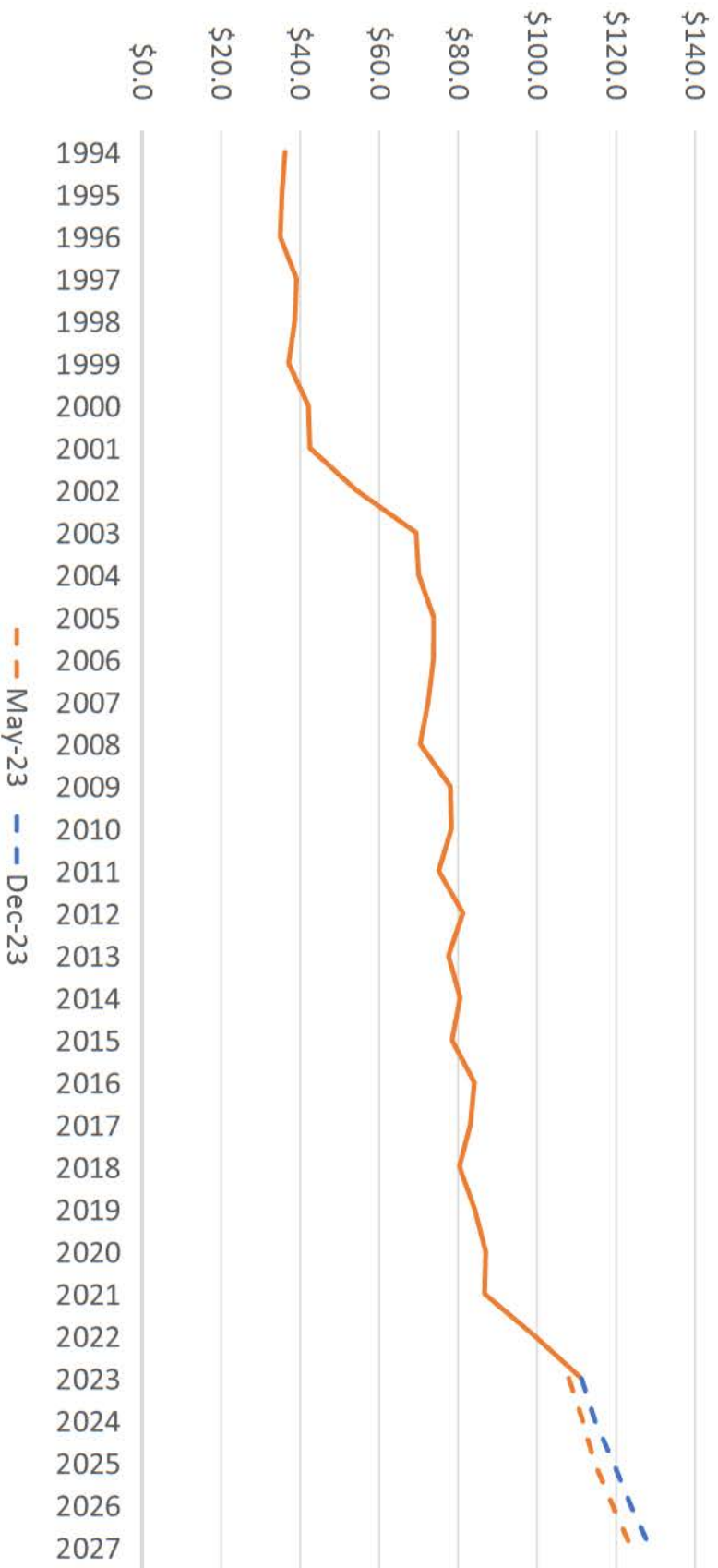
# Insurance Premiums Tax

Fiscal Year	2024	2025	2026	2027
Recommended Adjustment (\$million)	\$3.97	\$5.67	\$5.50	\$5.72
Recommended Adjustment (%)	3.5%	4.8%	4.4%	4.4%

- Increase forecast growth for IPT (excluding nonadmitted premiums tax) from 3% to 6.5% in calendar year 2023 and 4% to 4.5% in calendar year 2024.
  - Moody's forecast of Maine PCE growth for financial services and insurance revised from 2.3% to 7.5% in 2023 and 4.7% to 6.3% in 2024.
  - Kaiser Family Foundation Employer Health Benefit Survey shows 7% average health insurance premium increase in 2023.
- Nonadmitted premiums revenue up 45% YoY FYTD through October. Assume partially timing but still increase forecast by about \$900k (13.8%) per year.
- IPT revenue (excluding nonadmitted premiums tax) gross of New Markets Tax Credit increased 14.8% in FY 22 and 11.8% in FY 23, the highest growth rates since 2003.

# Insurance Premiums Tax Revenue

New Markets Tax Credit Added Back to Revenue  
(Fiscal year, \$million)



# Cigarette, Tobacco, and Cannabis Excise Taxes

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$126.0	-5.2%		
2020	\$137.3	9.0%		
2021	\$147.2	7.2%		
2022	\$148.5	0.9%		
2023	\$149.9	0.9%	-\$2.07	-1.4%
2024	\$153.3	2.3%	-\$3.35	-2.1%
2025	\$153.3	0.0%	-\$5.97	-3.8%
2026	\$155.2	1.2%	-\$6.00	-3.7%
2027	\$157.2	1.3%	-\$5.67	-3.5%

# Source of Forecast Adjustments

\$million  
(%)

	2023	2024	2025	2026	2027
<b>Cigarette tax</b>	-\$1.61 (-1.49%)	\$1.58 (1.48%)	-\$1.19 (-1.13%)	-\$1.47 (-1.41%)	-\$1.65 (-1.62%)
<b>Tobacco products tax</b>	-\$0.51 (-1.66%)	-\$1.11 (-3.54%)	-\$0.53 (-1.63%)	-\$0.06 (-0.18%)	\$0.47 (1.36%)
<b>Adult use cannabis excise tax</b>	\$0.05 (0.38%)	-\$3.82 (-20.57%)	-\$4.26 (-19.77%)	-\$4.48 (-18.64%)	-\$4.49 (-17.16%)

- Main source of revision: decrease in cannabis excise tax forecast
- Forecasting a faster decline in cigarette tax
- Declining smokeless tobacco sales, increasing smoking tobacco sales—especially e-cigarettes

# Gas Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$205.9	-0.2%		
2020	\$194.2	-5.7%		
2021	\$183.4	-5.6%		
2022	\$195.5	6.6%		
2023	\$196.0	0.2%	-\$6.60	-3.3%
2024	\$193.5	-1.3%	-\$10.36	-5.1%
2025	\$190.9	-1.3%	-\$14.03	-6.8%
2026	\$189.0	-1.0%	-\$16.90	-8.2%
2027	\$186.9	-1.1%	-\$19.86	-9.6%

- New model incorporates projection of increasing average fuel efficiency and Maine DOT projections of vehicle-miles traveled
- Fuel efficiency is forecast to increase faster than miles traveled

# Special Fuel Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$49.6	14.9%		
2020	\$47.4	-4.4%		
2021	\$47.9	0.9%		
2022	\$50.2	4.9%		
2023	\$49.3	-1.7%	-\$0.49	-1.0%
2024	\$49.2	-0.3%	-\$0.37	-0.7%
2025	\$49.8	1.1%	-\$0.19	-0.4%
2026	\$50.0	0.5%	-\$0.30	-0.6%
2027	\$50.3	0.5%	-\$0.43	-0.9%

- New model incorporates projection of increasing average fuel efficiency and Maine DOT projections of vehicle-miles traveled
- Vehicle-miles traveled projected to grow faster than fuel efficiency



## **APPENDIX G**

### **Other Background Materials**

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# Revenue Forecasting Committee - December 2023 - Hollywood Casino Bangor

GENERAL FUND REVENUE	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Current Forecast - General Fund Revenue			\$8,598,443	\$8,605,097	\$8,611,818	\$8,618,606
Incremental Effect of December 2023 Forecast			\$206,381	\$369,529	\$370,867	\$372,210
December 2023 Forecast - Revised General Fund Revenue			\$8,804,824	\$8,974,626	\$8,982,685	\$8,990,816

FUND FOR A HEALTHY MAINE REVENUE	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Current Forecast - Fund for a Healthy Maine Revenue			\$5,321,237	\$5,321,290	\$5,321,343	\$5,321,396
Incremental Effect of December 2023 Forecast			(\$68,370)	\$205,889	\$206,388	\$206,888
December 2023 Forecast - Fund for a Healthy Maine Revenue			\$5,252,867	\$5,527,179	\$5,527,731	\$5,528,284

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

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Gross Slot Income (Coin/Voucher In)	A	\$525,055,029	\$598,146,504	\$609,263,400	\$614,130,972	\$614,192,385	\$614,253,804
Player's Share (Payback Value)	B	\$474,948,847	\$546,784,363	\$550,642,100	\$552,717,875	\$552,773,146	\$552,828,424
3% Distribution to City of Bangor (.03*(A-B))	3.0%	\$1,503,185	\$1,540,864	\$1,758,639	\$1,842,393	\$1,842,577	\$1,842,761
General Fund - Administration (1% of Gross Slot Income)	C	\$5,250,550	\$5,981,465	\$6,092,634	\$6,141,310	\$6,141,924	\$6,142,538
Net Slot Machine Income (=A-B-C)		\$44,855,632	\$45,380,676	\$52,528,666	\$55,271,787	\$55,277,314	\$55,282,842
Licenses' Share of Net Slot Machine Income	61.0%	\$27,361,936	\$27,682,212	\$32,042,486	\$33,715,790	\$33,719,162	\$33,722,534
Licenses' Share of Net Slot after 3% Distribution to Bangor		\$25,858,751	\$26,141,348	\$30,283,847	\$31,873,397	\$31,876,585	\$31,879,773
Net Table Game Income		\$7,338,090	\$7,678,940	\$7,900,482	\$8,027,158	\$8,107,429	\$8,188,503
Licensee's Share of Net Table Game Income	84.0%	\$6,163,996	\$6,450,310	\$6,636,405	\$6,742,812	\$6,810,240	\$6,878,343

Distribution of State Share of Net Slot Machine Income		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund (other)	3.0%	\$1,345,669	\$1,361,420	\$1,575,860	\$1,658,154	\$1,658,319	\$1,658,485
General Fund (After 48 months - November 2009)	1.0%	\$448,556	\$453,807	\$525,287	\$552,718	\$552,773	\$552,828
Fund for a Healthy Maine (FHM)	10.0%	\$4,485,563	\$4,538,068	\$5,252,867	\$5,527,179	\$5,527,731	\$5,528,284
University of Maine Scholarship Fund (2% until 9/1/13)	1.92%	\$861,228	\$871,309	\$1,008,550	\$1,061,218	\$1,061,324	\$1,061,431
Maine Maritime Academy Scholarship Program (beginning 9/1/13)	0.08%	\$35,885	\$36,305	\$42,023	\$44,217	\$44,222	\$44,226
Maine Community College System - Scholarship Funds	1.0%	\$448,556	\$453,807	\$525,287	\$552,718	\$552,773	\$552,828
Resident Municipalities	1.0%	\$448,556	\$453,807	\$525,287	\$552,718	\$552,773	\$552,828
Supplement Harness Racing Purses	10.0%	\$4,485,563	\$4,538,068	\$5,252,867	\$5,527,179	\$5,527,731	\$5,528,284
Sire Stakes Fund	3.0%	\$1,345,669	\$1,361,420	\$1,575,860	\$1,658,154	\$1,658,319	\$1,658,485
Fund to Encourage Racing at Maine's Commercial Tracks	4.0%	\$1,794,225	\$1,815,227	\$2,101,147	\$2,210,871	\$2,211,093	\$2,211,314
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)	1.0%	\$448,556	\$453,807	\$525,287	\$552,718	\$552,773	\$552,828
Agricultural Fair Support Fund	3.0%	\$1,345,669	\$1,361,420	\$1,575,860	\$1,658,154	\$1,658,319	\$1,658,485
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		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund	9.0%	\$660,428	\$691,105	\$711,043	\$722,444	\$729,669	\$736,965
Gambling Control Board	3.0%	\$220,143	\$230,368	\$237,014	\$240,815	\$243,223	\$245,655
Municipality	2.0%	\$146,762	\$153,579	\$158,010	\$160,543	\$162,149	\$163,770
Coordinated Veterans Assistance Fund	2.0%	\$146,762	\$153,579	\$158,010	\$160,543	\$162,149	\$163,770

Revenue Summary	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>General Fund</b>						
General Fund Administration (1% of gross slot income)	\$5,250,550	\$5,981,465	\$6,092,634	\$6,141,310	\$6,141,924	\$6,142,538
General Fund (Other)	\$2,354,653	\$2,406,332	\$2,712,190	\$2,833,316	\$2,840,761	\$2,848,278
Licensing revenue	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal - General Fund</b>	<b>\$7,605,203</b>	<b>\$8,387,797</b>	<b>\$8,804,824</b>	<b>\$8,974,626</b>	<b>\$8,982,685</b>	<b>\$8,990,816</b>
<b>Fund for a Healthy Maine</b>	<b>\$4,485,563</b>	<b>\$4,538,068</b>	<b>\$5,252,867</b>	<b>\$5,527,179</b>	<b>\$5,527,731</b>	<b>\$5,528,284</b>
<b>Other Special Revenue Funds</b>						
Harness Racing Commission	\$9,419,682	\$9,529,942	\$11,031,021	\$11,607,076	\$11,608,235	\$11,609,396
HRC - Subtotal	\$9,419,682	\$9,529,942	\$11,031,021	\$11,607,076	\$11,608,235	\$11,609,396
PUS- host municipalities	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund	\$861,228	\$871,309	\$1,008,550	\$1,061,218	\$1,061,324	\$1,061,431
Maine Maritime Academy Scholarship Program	\$35,885	\$36,305	\$42,023	\$44,217	\$44,222	\$44,226
Maine Community College System Scholarships	\$448,556	\$453,807	\$525,287	\$552,718	\$552,773	\$552,828
Resident Municipalities	\$595,318	\$607,386	\$683,297	\$713,261	\$714,922	\$716,598
Gambling Addiction Prevention and Treatment Fund	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Gambling Control Board	\$769,843	\$780,068	\$786,714	\$790,515	\$792,923	\$795,355
Coordinated Veterans Assistance Fund	\$146,762	\$153,579	\$158,010	\$160,543	\$162,149	\$163,770
<b>Subtotal - Other Special Revenue Funds</b>	<b>\$12,402,274</b>	<b>\$12,557,396</b>	<b>\$14,359,902</b>	<b>\$15,054,548</b>	<b>\$15,061,548</b>	<b>\$15,068,604</b>

## Revenue Forecasting Committee - December 2023 - Oxford Casino

<b>GENERAL FUND REVENUE</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
Current Forecast - General Fund Revenue			\$2,762,587	\$2,797,119	\$2,832,083	\$2,867,484
Incremental Effect of December 2023 Forecast			(\$41,582)	(\$18,778)	(\$12,067)	(\$5,168)
December 2023 - Revised General Fund Revenue			\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316

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

		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
Total Net Slot Machine Income		\$90,056,490	\$90,983,030	\$90,700,163	\$92,611,360	\$94,000,530	\$95,410,538
Total Net Table Game Income		\$18,381,745	\$17,030,005	\$16,774,145	\$16,969,340	\$17,139,033	\$17,310,423
<b>Licensees' Share of Total Net Slot Machine Income</b>	<b>54.0%</b>	<b>\$48,630,505</b>	<b>\$49,130,836</b>	<b>\$48,978,088</b>	<b>\$50,010,134</b>	<b>\$50,760,286</b>	<b>\$51,521,690</b>
<b>Licensees' Share of Total Net Table Game Income</b>	<b>84.0%</b>	<b>\$15,440,666</b>	<b>\$14,305,204</b>	<b>\$14,090,281</b>	<b>\$14,254,245</b>	<b>\$14,396,788</b>	<b>\$14,540,756</b>
<b>Total Licensees' Share of Net Income</b>		<b>\$64,071,171</b>	<b>\$63,436,040</b>	<b>\$63,068,369</b>	<b>\$64,264,379</b>	<b>\$65,157,074</b>	<b>\$66,062,446</b>

<b>Distribution of State Share of Net Slot Machine Income</b>	<b>46.0%</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
K-12 Essential Programs and Services	25.0%	\$22,514,123	\$22,745,758	\$22,675,041	\$23,152,840	\$23,500,132	\$23,852,634
Maine's Penobscot and Passamaquoddy Indian Tribes	4.0%	\$3,602,260	\$3,639,321	\$3,628,007	\$3,704,454	\$3,760,021	\$3,816,422
General Fund - Administration	3.0%	\$2,701,695	\$2,729,491	\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316
University of Maine System Scholarship Fund (4% until 9/1/13)	3.83%	\$3,449,164	\$3,484,650	\$3,473,816	\$3,547,015	\$3,600,220	\$3,654,224
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0.17%	\$153,096	\$154,671	\$154,190	\$157,439	\$159,801	\$162,198
Agricultural Fair Support Fund	1.0%	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
Municipality in which casino is located	2.0%	\$1,801,130	\$1,819,661	\$1,814,003	\$1,852,227	\$1,880,011	\$1,908,211
Maine Community College System Scholarship Programs	3.0%	\$2,701,695	\$2,729,491	\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316
Fund to Supplement Harness Racing Purses	1.0%	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
Sire Stakes Fund	1.0%	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
County in which casino is located	1.0%	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	<b>0.5%</b>	\$450,282	\$454,915	\$453,501	\$463,057	\$470,003	\$477,053
Dairy Improvement Fund (Beginning 7/1/13)	<b>0.5%</b>	\$450,282	\$454,915	\$453,501	\$463,057	\$470,003	\$477,053

<b>Distribution of State Share of Net Table Game Income</b>	<b>16.0%</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
K-12 Essential Programs and Services	10.0%	\$1,838,175	\$1,703,001	\$1,677,414	\$1,696,934	\$1,713,903	\$1,731,042
Gambling Control Board	3.0%	\$551,452	\$510,900	\$503,224	\$509,080	\$514,171	\$519,313
Municipality in which casino is located	2.0%	\$367,635	\$340,600	\$335,483	\$339,387	\$342,781	\$346,208
County in which casino is located	1.0%	\$183,817	\$170,300	\$167,741	\$169,693	\$171,390	\$173,104

<b>Revenue Summary</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
<b>General Fund</b>						
General Fund Administration	\$2,701,695	\$2,729,491	\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316
License Fees	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund	<b>\$2,701,695</b>	<b>\$2,729,491</b>	<b>\$2,721,005</b>	<b>\$2,778,341</b>	<b>\$2,820,016</b>	<b>\$2,862,316</b>
<b>Other Special Revenue Funds</b>						
Gambling Control Board	\$749,777	\$709,225	\$701,549	\$707,405	\$712,496	\$717,638
K-12 Essential Programs and Services	\$24,352,298	\$24,448,759	\$24,352,455	\$24,849,774	\$25,214,035	\$25,583,676
Maine's Penobscot and Passamaquoddy Indian Tribes	\$3,602,260	\$3,639,321	\$3,628,007	\$3,704,454	\$3,760,021	\$3,816,422
University of Maine System Scholarship Fund	\$3,449,164	\$3,484,650	\$3,473,816	\$3,547,015	\$3,600,220	\$3,654,224
Maine Maritime Academy Scholarship Program	\$153,096	\$154,671	\$154,190	\$157,439	\$159,801	\$162,198
Agricultural Fair Support Fund	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
Municipality in which casino is located	\$2,168,765	\$2,160,261	\$2,149,486	\$2,191,614	\$2,222,792	\$2,254,419
Maine Community College System Scholarship Programs	\$2,701,695	\$2,729,491	\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316
Fund to Supplement Harness Racing Purses	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
Sire Stakes Fund	\$900,565	\$909,830	\$907,002	\$926,114	\$940,005	\$954,105
County in which casino is located	\$1,084,382	\$1,080,130	\$1,074,743	\$1,095,807	\$1,111,395	\$1,127,209
Maine Dairy Farm Stabilization Fund	\$450,282	\$454,915	\$453,501	\$463,057	\$470,003	\$477,053
Dairy Improvement Fund	\$450,282	\$454,915	\$453,501	\$463,057	\$470,003	\$477,053
Subtotal - Other Special Revenue Funds	<b>\$41,863,696</b>	<b>\$42,045,828</b>	<b>\$41,883,259</b>	<b>\$42,736,305</b>	<b>\$43,360,797</b>	<b>\$43,994,523</b>

# Milk Handling Fee and Transfer to Maine Milk Pool

## HANDLING FEE INCOME

	FY24	FY24	FY25	FY25
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.26	\$82,900	\$23.53	\$68,000
July	\$20.57	\$68,250	\$23.62	\$68,000
August	\$19.87	\$68,250	\$23.63	\$68,000
Sept.	\$22.15	\$68,250	\$23.63	\$68,000
Oct.	\$22.72	\$68,250	\$23.69	\$68,000
Nov.	\$23.00	\$68,250	\$23.56	\$68,000
Dec.	\$22.96	\$68,250	\$22.67	\$68,000
Jan.	\$22.74	\$68,250	\$21.76	\$68,000
Feb.	\$22.88	\$68,250	\$21.97	\$68,000
March	\$23.04	\$68,250	\$21.52	\$68,000
April	\$23.17	\$68,250	\$21.50	\$68,000
May	\$23.33	\$68,250	\$21.50	\$68,000
		<b>\$833,650</b>		<b>\$816,000</b>

## TIER PROGRAM PAYMENTS

	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
<b>FY24</b>						
Jun-23	\$18.61	\$0.00	\$0.29	\$3.96	46,402,546	\$1,839,185
Jul-23	\$18.23	\$0.00	\$0.29	\$3.69	45,931,512	\$1,696,836
Aug-23	\$19.43	\$0.00	\$0.30	\$2.12	46,087,618	\$978,976
Sep-23	\$20.42	\$0.00	\$0.32	\$0.94	42,659,459	\$400,700
Oct-23	\$21.20	\$0.00	\$0.30	\$0.44	43,879,140	\$191,716
Nov-23	\$21.40	\$0.00	\$0.30	\$0.32	42,422,393	\$135,705
Dec-23	\$20.78	\$0.00	\$0.30	\$0.46	44,418,543	\$205,515
Jan-24	\$20.24	\$0.00	\$0.30	\$0.69	45,114,874	\$311,904
Feb-24	\$20.28	\$0.00	\$0.30	\$0.60	41,209,962	\$246,616
Mar-24	\$20.51	\$0.00	\$0.30	\$0.47	45,696,734	\$213,516
Apr-24	\$20.56	\$0.00	\$0.30	\$0.41	45,232,674	\$183,250
May-24	\$20.71	\$0.00	\$0.30	\$0.34	45,487,311	\$152,436
					<b>FY24 Exp</b>	<b>\$ 6,556,356</b>
					.5% of net slot income from Oxford Casino	\$ 453,501
					<b>Net GF Exp</b>	<b>\$ 6,102,855</b>

	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
<b>FY25</b>						
Jun-24	\$20.93	\$0.00	\$0.30	\$1.63	46,402,546	\$755,773
Jul-24	\$21.03	\$0.00	\$0.30	\$0.95	45,931,512	\$434,234
Aug-24	\$21.10	\$0.00	\$0.30	\$0.67	46,087,618	\$306,780
Sep-24	\$21.14	\$0.00	\$0.30	\$0.51	42,615,528	\$216,342
Oct-24	\$21.22	\$0.00	\$0.30	\$0.48	44,652,988	\$214,473
Nov-24	\$21.22	\$0.00	\$0.30	\$0.36	42,422,393	\$153,799
Dec-24	\$20.66	\$0.00	\$0.30	\$0.51	44,418,543	\$228,077
Jan-25	\$19.38	\$0.00	\$0.30	\$1.38	45,114,874	\$623,438
Feb-25	\$19.17	\$0.00	\$0.30	\$1.51	41,209,962	\$620,286
Mar-25	\$18.97	\$0.00	\$0.30	\$1.66	45,696,734	\$759,792
Apr-25	\$19.50	\$0.00	\$0.30	\$1.09	45,232,674	\$493,081
May-25	\$19.50	\$0.00	\$0.30	\$1.08	45,487,311	\$491,715
					<b>FY25 Exp</b>	<b>\$ 5,297,791</b>
					.5% of net slot income from Oxford Casino	\$ 463,057
					<b>Net GF Exp</b>	<b>\$ 4,834,734</b>

## Milk Handling Fee and Transfer to Maine Milk Pool

### HANDLING FEE INCOME

	<b>FY26</b>	<b>FY26</b>	<b>FY27</b>	<b>FY27</b>
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.25	\$68,000	\$21.25	\$68,000
July	\$21.50	\$68,000	\$21.50	\$68,000
August	\$21.50	\$68,000	\$21.50	\$68,000
Sept.	\$21.50	\$68,000	\$21.50	\$68,000
Oct.	\$21.50	\$68,000	\$21.50	\$68,000
Nov.	\$21.50	\$68,000	\$21.50	\$68,000
Dec.	\$21.00	\$68,000	\$21.00	\$68,000
Jan.	\$20.80	\$68,000	\$20.80	\$68,000
Feb.	\$20.70	\$68,000	\$20.70	\$68,000
March	\$20.60	\$68,000	\$20.60	\$68,000
April	\$20.80	\$68,000	\$20.80	\$68,000
May	\$21.00	\$68,000	\$21.00	\$68,000
		<b>\$816,000</b>		<b>\$816,000</b>

### TIER PROGRAM PAYMENTS

<b>FY26</b>	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.00	\$0.00	\$0.30	\$2.12	535,272,683	\$ 11,392,513
					<b>FY26 Exp</b>	<b>\$ 11,392,513</b>
					.5% of net slot income from Oxford Casino	\$ 470,003
					<b>Net GF Exp</b>	<b>\$ 10,922,510</b>

<b>FY27</b>	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.00	\$0.00	\$0.30	\$2.12	535,272,683	\$ 11,392,513
					<b>FY27 Exp</b>	<b>\$ 11,392,513</b>
					.5% of net slot income from Oxford Casino	\$ 477,053
					<b>Net GF Exp</b>	<b>\$ 10,915,460</b>

#### NOTES:

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

**Tier target prices: \$23.05, \$21.44, \$20.93, \$20.21 Effective August 1, 2022 - present**

**Projected Support Payments are based on historical milk production within each tier level**

Numbers in italics are estimates

Prepared by:

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

Adjusted by OFPR to include Oxford Casino slot income.

## Medicaid/MaineCare Dedicated Revenue Taxes Detail - December 2023 Revenue Forecast

			FY 2019	2018-2019	FY 2020	2019-2020	FY 2021	2020-2021	FY 2022	2021-2022	FY 2023	FY 2023	2022-2023
New Approp	REV SHORT	REV SRC	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Rev. Est. May-23	Actuals	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	34,999,161	3.7%	43,432,833	24.1%	38,214,675	-12.0%	38,095,910	-0.3%	41,102,821	42,342,711	11.1%
01410AZ19753	RES TRMT FACILITIES TAX	0671	1,886,325	-1.0%	2,061,980	9.3%	2,336,341	13.3%	2,505,132	7.2%	2,677,000	2,789,666	11.4%
01410AZ21057	RES TRMT FACILITIES TAX	0671	60,153	-2.0%	65,649	9.1%	60,626	-7.7%	70,748	16.7%	74,325	76,519	8.2%
01410AZ21254	RES TRMT FACILITIES TAX	0671	109,027	-1.6%	122,693	12.5%	140,993	14.9%	165,864	17.6%	171,146	173,929	4.9%
Subtotal	RTF Tax		2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,741,744	8.0%	2,922,471	3,040,114	10.9%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	102,503,718	-0.8%	115,464,903	12.6%	115,888,153	0.4%	126,885,314	9.5%	127,706,538	124,708,001	-1.7%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	793,987	4.5%	767,968	-3.3%	655,253	-14.7%	528,859	-19.3%	536,724	536,387	1.4%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	23,642,031	8.2%	25,264,933	6.9%	24,877,236	-1.5%	25,433,727	2.2%	28,208,148	28,210,348	10.9%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,229,302	4.5%	3,104,342	-3.9%	5,907,990	90.3%	4,846,669	-18.0%	5,454,070	5,373,362	10.9%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,532,821	6.6%	3,278,670	-7.2%	3,319,023	1.2%	3,735,602	12.6%	3,730,879	3,950,148	5.7%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	853,207	4.5%	819,676	-3.9%	200,278	-75.6%	157,981	-21.1%	211,982	218,847	38.5%
01410A014701	MEDICAL CARE SERVICES	0675	18,373,373	14.0%	19,754,717	7.5%	16,620,835	-15.9%	17,984,903	8.2%	19,135,259	19,467,378	8.2%
Subtotal	Service Provider (PNMI) Tax		50,424,722	9.7%	52,990,306	5.1%	51,580,615	-2.7%	52,687,741	2.1%	57,277,062	57,756,470	9.6%
			189,983,107	2.6%	214,138,364	12.7%	208,221,403	-2.8%	220,410,709	5.9%	229,008,892	227,847,296	3.4%
	Nursing Home Tax		34,999,161	3.7%	43,432,833	24.1%	38,214,675	-12.0%	38,095,910	-0.3%	41,102,821	42,342,711	11.1%
	RTF's Tax		2,055,506	-1.1%	2,250,322	9.5%	2,537,960	12.8%	2,741,744	8.0%	2,922,471	3,040,114	10.9%
	Hospital Tax		102,503,718	-0.8%	115,464,903	12.6%	115,888,153	0.4%	126,885,314	9.5%	127,706,538	124,708,001	-1.7%
	Service Provider (PNMI) Tax		50,424,722	9.7%	52,990,306	5.1%	51,580,615	-2.7%	52,687,741	2.1%	57,277,062	57,756,470	9.6%
			189,983,107	2.6%	214,138,364	12.7%	208,221,403	-2.8%	220,410,709	5.9%	229,008,892	227,847,296	3.4%

## Medicaid/MaineCare Dedicated Revenue Taxes Detail - December 2023 Revenue Forecast

			FY 2024	FY 2024	FY 2024	FY 2024	FY 2024	2023-2024	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025	2024-2025
New Approp	REV SHORT	REV SRC	Rev. Est. May-23	Leg. Changes Dec-23	Rev. Budget Dec-23	Req. Chg. Dec-23	Rev. Est. Dec-23	% Chg.	Rev. Est. May-23	Leg. Changes Dec-23	Rev. Budget Dec-23	Req. Chg. Dec-23	Rev. Est. Dec-23	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	39,506,375		39,506,375	1,493,625	41,000,000	-3.2%	40,396,351	1,744,773	42,141,124	976,898	43,118,022	5.2%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,677,000		2,677,000	223,000	2,900,000	4.0%	2,677,000	0	2,677,000	223,000	2,900,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	74,325		74,325	5,675	80,000	4.5%	74,325	0	74,325	5,675	80,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	171,146		171,146	3,854	175,000	0.6%	171,146	0	171,146	3,854	175,000	0.0%
Subtotal RTF Tax			2,922,471	-	2,922,471	232,529	3,155,000	3.8%	2,922,471	0	2,922,471	232,529	3,155,000	0.0%
01410A014704	MEDICAL CARE- HOSPITAL TAX	1913	127,706,538		127,706,538	0	127,706,538	2.4%	127,706,538	(5,408,048)	122,298,490	0	122,298,490	-4.2%
01410AZ21050	MED MATCH MR- PNMI TAX	0675	536,724		536,724	0	536,724	0.1%	536,724	(223,635)	313,089	0	313,089	-41.7%
01410AZ21052	MED MATCH MR- SERV PROV TAX	0675	29,278,258	517,186	29,795,444	0	29,795,444	5.6%	29,799,118	(10,740,705)	19,058,413	0	19,058,413	-36.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	5,454,070		5,454,070	545,930	6,000,000	11.7%	5,454,070	(2,272,529)	3,181,541	272,965	3,454,506	-42.4%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,730,879		3,730,879	269,121	4,000,000	1.3%	3,730,879	(1,554,533)	2,176,346	134,561	2,310,907	-42.2%
01410AZ20241	MEDICAID SEED- PNMI TAX	0675	211,982		211,982	63,018	275,000	25.7%	211,982	(88,326)	123,656	31,509	155,165	-43.6%
01410A014701	MEDICAL CARE SERVICES	0675	19,449,151		19,449,151	319,149	19,768,300	1.5%	20,471,637	(8,529,849)	11,941,788	319,149	12,260,937	-38.0%
Subtotal Service Provider (PNMI) Tax			58,661,064	517,186	59,178,250	1,197,218	60,375,468	4.5%	60,204,410	(23,409,577)	36,794,833	758,184	37,553,017	-37.8%
			228,796,448	517,186	229,313,634	2,923,372	232,237,006	1.9%	231,229,770	(27,072,852)	204,156,918	1,967,611	206,124,529	-11.2%
	Nursing Home Tax		39,506,375	-	39,506,375	1,493,625	41,000,000	-3.2%	40,396,351	1,744,773	42,141,124	976,898	43,118,022	5.2%
	RTF's Tax		2,922,471	-	2,922,471	232,529	3,155,000	3.8%	2,922,471	0	2,922,471	232,529	3,155,000	0.0%
	Hospital Tax		127,706,538	-	127,706,538	0	127,706,538	2.4%	127,706,538	(5,408,048)	122,298,490	0	122,298,490	-4.2%
	Service Provider (PNMI) Tax		58,661,064	517,186	59,178,250	1,197,218	60,375,468	4.5%	60,204,410	(23,409,577)	36,794,833	758,184	37,553,017	-37.8%
			228,796,448	517,186	229,313,634	2,923,372	232,237,006	1.9%	231,229,770	(27,072,852)	204,156,918	1,967,611	206,124,529	-11.2%

## Medicaid/MaineCare Dedicated Revenue Taxes Detail - December 2023 Revenue Forecast

			FY 2026	FY 2026	FY 2026	FY 2026	FY 2026	2025-2026	FY 2027	FY 2027	FY 2027	FY 2027	FY 2027	2026-2027
New Approp	REV SHORT	REV SRC	Rev. Est. May-23	Leg. Changes Dec-23	Rev. Budget Dec-23	Req. Chg. Dec-23	Rev. Est. Dec-23	% Chg.	Rev. Est. May-23	Leg. Changes Dec-23	Rev. Budget Dec-23	Req. Chg. Dec-23	Rev. Est. Dec-23	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	40,396,351	1,744,773	42,141,124	976,898	43,118,022	0.0%	40,396,351	1,744,773	42,141,124	976,898	43,118,022	0.0%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,677,000	0	2,677,000	223,000	2,900,000	0.0%	2,677,000	0	2,677,000	223,000	2,900,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	74,325	0	74,325	5,675	80,000	0.0%	74,325	0	74,325	5,675	80,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	171,146	0	171,146	3,854	175,000	0.0%	171,146	0	171,146	3,854	175,000	0.0%
Subtotal RTF Tax			2,922,471	0	2,922,471	232,529	3,155,000	0.0%	2,922,471	0	2,922,471	232,529	3,155,000	0.0%
01410A014704	MEDICAL CARE- HOSPITAL TAX	1913	127,706,538	(5,408,048)	122,298,490	0	122,298,490	0.0%	127,706,538	(5,408,048)	122,298,490	0	122,298,490	0.0%
01410AZ21050	MED MATCH MR- PNMI TAX	0675	536,724	(223,635)	313,089	(313,089)	0	-100.0%	536,724	(223,635)	313,089	(313,089)	0	0.0%
01410AZ21052	MED MATCH MR- SERV PROV TAX	0675	29,799,118	(10,740,705)	19,058,413	(19,058,413)	0	-100.0%	29,799,118	(10,740,705)	19,058,413	(19,058,413)	0	0.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	5,454,070	(2,272,529)	3,181,541	(3,181,541)	0	-100.0%	5,454,070	(2,272,529)	3,181,541	(3,181,541)	0	0.0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,730,879	(1,554,533)	2,176,346	(2,176,346)	0	-100.0%	3,730,879	(1,554,533)	2,176,346	(2,176,346)	0	0.0%
01410AZ20241	MEDICAID SEED- PNMI TAX	0675	211,982	(88,326)	123,656	(123,656)	0	-100.0%	211,982	(88,326)	123,656	(123,656)	0	0.0%
01410A014701	MEDICAL CARE SERVICES	0675	20,471,637	(8,529,849)	11,941,788	(11,941,788)	0	-100.0%	20,471,637	(8,529,849)	11,941,788	(11,941,788)	0	0.0%
Subtotal Service Provider (PNMI) Tax			60,204,410	(23,409,577)	36,794,833	(36,794,833)	0	-100.0%	60,204,410	(23,409,577)	36,794,833	(36,794,833)	0	0.0%
			231,229,770	(27,072,852)	204,156,918	(35,585,406)	168,571,512	-18.2%	231,229,770	(27,072,852)	204,156,918	(35,585,406)	168,571,512	0.0%
	Nursing Home Tax		40,396,351	1,744,773	42,141,124	976,898	43,118,022	0.0%	40,396,351	1,744,773	42,141,124	976,898	43,118,022	0.0%
	RTF's Tax		2,922,471	0	2,922,471	232,529	3,155,000	0.0%	2,922,471	0	2,922,471	232,529	3,155,000	0.0%
	Hospital Tax		127,706,538	(5,408,048)	122,298,490	0	122,298,490	0.0%	127,706,538	(5,408,048)	122,298,490	0	122,298,490	0.0%
	Service Provider (PNMI) Tax		60,204,410	(23,409,577)	36,794,833	(36,794,833)	(0)	-100.0%	60,204,409	(23,409,577)	36,794,832	(36,794,833)	(0)	0.0%
			231,229,770	(27,072,852)	204,156,918	(35,585,406)	168,571,512	-18.2%	231,229,770	(27,072,852)	204,156,918	(35,585,406)	168,571,512	0.0%

# Revenue Forecasting Committee - December 2023 - Advanced Deposit Wagering

Advanced Deposit Wagering Activity ADW Activity		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-2026	2026-2027
ME resident activity on Maine races		\$ 25,383.30	\$ 151,785.60	\$ 219,289.30	\$ 270,181.30	\$ 154,691.10	\$ 272,883.11	\$ 275,611.94	\$ 278,368.06
ME resident activity on non-Maine events		\$ 668,292.10	\$ 4,704,572.60	\$ 4,452,220.80	\$ 4,937,719.00	\$ 1,484,163.80	\$ 4,987,096.19	\$ 5,036,967.15	\$ 5,087,336.82
Total ADW Activity		\$ 693,675.40	\$ 4,856,358.20	\$ 4,671,510.10	\$ 5,207,900.30	\$ 1,638,854.90	\$ 5,259,979.30	\$ 5,312,579.10	\$ 5,365,704.89
Total Tax Revenue Due to State	5%	\$ 34,683.77	\$ 242,817.91	\$ 233,575.51	\$ 260,395.02	\$ 81,942.75	\$ 262,998.97	\$ 265,628.95	\$ 268,285.24
		2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Actuals	2023-24 YTD	2024-25 Projected	2025-26 Projected	2026-27 Projected
General Fund Revenue									
In State		\$ 126.93	\$ 769.02	\$ 1,096.59	\$ 1,350.90	\$ 773.43	\$ 1,364.42	\$ 1,378.06	\$ 1,391.84
Out of State		\$ 3,341.45	\$ 23,522.88	\$ 22,261.09	\$ 19,242.76	\$ 7,420.82	\$ 24,935.48	\$ 25,184.84	\$ 25,436.68
General Fund Revenue Total		\$ 3,468.38	\$ 24,291.90	\$ 23,357.68	\$ 20,593.66	\$ 8,194.25	\$ 26,299.90	\$ 26,562.90	\$ 26,828.52
Other Special Revenue Funds									
<u>In-State</u>									
Distribution to OTB Facilities		\$ 253.83	\$ 1,517.90	\$ 2,193.21	\$ 2,701.82	\$ 1,546.92	\$ 2,728.83	\$ 2,756.12	\$ 2,783.68
Sire Stakes Fund		\$ 12.70	\$ 75.87	\$ 109.65	\$ 205.08	\$ 77.35	\$ 136.44	\$ 137.81	\$ 139.18
Agricultural Fair Support Fund		\$ 126.92	\$ 758.96	\$ 1,096.60	\$ 1,350.91	\$ 773.47	\$ 1,364.42	\$ 1,378.06	\$ 1,391.84
Purse Supplements		\$ 304.60	\$ 1,821.46	\$ 2,631.86	\$ 3,242.19	\$ 1,856.30	\$ 3,274.60	\$ 3,307.34	\$ 3,340.42
Race Tracks		\$ 253.83	\$ 1,507.73	\$ 2,193.19	\$ 2,701.81	\$ 1,546.91	\$ 2,728.83	\$ 2,756.12	\$ 2,783.68
Distrubtion to Commerical Tracks		\$ 190.37	\$ 1,138.43	\$ 1,644.91	\$ 2,026.37	\$ 1,160.19	\$ 2,046.62	\$ 2,067.09	\$ 2,087.76
		\$ 1,142.25	\$ 6,820.35	\$ 9,869.42	\$ 12,228.18	\$ 6,961.14	\$ 12,279.74	\$ 12,402.54	\$ 12,526.56
<u>Out of State</u>									
Distribution to OTB Facilities		\$ 12,029.27	\$ 84,682.35	\$ 80,140.01	\$ 69,273.89	\$ 26,714.95	\$ 89,767.73	\$ 90,665.41	\$ 91,572.06
Sire Stakes Fund		\$ 334.14	\$ 2,352.26	\$ 2,226.11	\$ 1,924.28	\$ 742.08	\$ 2,493.55	\$ 2,518.48	\$ 2,543.67
Agricultural Fair Support Fund		\$ 3,341.46	\$ 23,522.89	\$ 22,261.11	\$ 19,242.75	\$ 7,420.82	\$ 24,935.48	\$ 25,184.84	\$ 25,436.68
Purse Supplements		\$ 2,339.02	\$ 16,466.01	\$ 15,582.77	\$ 13,469.91	\$ 5,194.57	\$ 17,454.84	\$ 17,629.39	\$ 17,805.68
Distribution to Commcerical Tracks		\$ 12,029.27	\$ 84,682.35	\$ 80,140.01	\$ 69,273.89	\$ 26,714.95	\$ 89,767.73	\$ 90,665.41	\$ 91,572.06
		\$ 30,073.16	\$ 211,705.86	\$ 200,350.01	\$ 173,184.72	\$ 66,787.37	\$ 224,419.33	\$ 226,663.52	\$ 228,930.16
Other Special Revenue Funds Total		\$ 31,215.41	\$ 218,526.21	\$ 210,219.43	\$ 185,412.90	\$ 73,748.51	\$ 236,699.07	\$ 239,066.06	\$ 241,456.72