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REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

March 2024



**Amanda Rector, Chair
State Economist**

**Michael Allen
Associate Commissioner of Tax Policy**

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

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

**Darryl Stewart
Acting State Budget Officer**

**Todd Gabe, Professor of Economics
University of Maine**



STATE OF MAINE REVENUE FORECASTING COMMITTEE

Members:

Amanda Rector, State Economist, Chair
Christopher Nolan, Director, Office of Fiscal and Program Review
Michael Allen, Associate Commissioner of Tax Policy
Eric Cyr, Principal Analyst, Office of Fiscal and Program Review
Darryl Stewart, Acting State Budget Officer
Todd Gabe, Professor of Economics, University of Maine

March 1, 2024

TO: Governor Janet T. Mills
Members, 131st Legislature

FROM: Amanda Rector, Chair
Revenue Forecasting Committee

RE: **Revenue Forecasting Committee March 1, 2024, Report**

The Revenue Forecasting Committee (RFC) has concluded its update of the revenue forecast to comply with its statutory reporting date of March 1, 2024, to incorporate the new economic forecast released by the Consensus Economic Forecasting Commission (CEFC) on February 1, 2024, and to provide a forecast that reflects revenue performance through the first seven months of FY24 and preliminary revenues for February 2024. Tables showing the changes made to all the funds forecasted by the committee and a detailed presentation that includes the key assumptions made in developing the forecast have been posted to the RFC's web page and are available [here](#). A more complete report will be available next week and added to the web page.

General Fund Summary

	FY23	FY24	FY25	FY26	FY27
Current 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%
Net Increase (Decrease)	\$0	\$82,371,821	(\$5,443,882)	(\$27,562,075)	(\$45,014,285)
Revised Forecast	\$5,379,492,013	\$5,331,895,219	\$5,305,564,413	\$5,393,629,565	\$5,574,458,108
Annual % Growth	-0.2%	-0.9%	-0.5%	1.7%	3.4%

In its March 2024 update, the RFC revised General Fund revenue upward by \$82.4 million for FY24 and downward by \$5.4 million for FY25 for a net increase of \$76.9 million (0.7%) for the 2024-2025 biennium. The resulting forecasted rate of year-over-year change in General Fund revenue for FY24 is now a 0.9% decrease from FY23 final revenue amounts, followed by a decrease of 0.5% for FY25. The March 2024 forecast revises 2026-2027 revenue estimates downward by \$72.6 million (0.7%) for the biennium, with a forecasted rate of year-over-year growth of 1.7% for FY26 and 3.4% for FY27. **It is important to note the March 2024 RFC forecast includes a significant increase in General Fund payments (transfers) to the Maine Milk Pool required as a result of a major substantive rule submitted by the Maine Milk Commission to the Legislature in January that will become law as proposed if not acted upon by the Legislature this session. Without these estimated increased milk pool transfers, the March 2024 update would have revised General Fund revenue upward by \$83.0 million for FY24 and by \$24.7 million for FY25 for a combined increase of \$107.8 million (1.0%)**

for the 2024-2025 biennium. Without the estimated increased milk pool transfers, 2026-2027 biennium General Fund revenue estimates would have been revised downward by \$2.9 million (0.03%) for the biennium, with a forecasted rate of year-over-year growth of 1.7% for FY26 and 3.4% for FY27.¹

The changes in General Fund revenue during the forecast period from the three largest revenue lines are primarily from the corporate income tax, with individual income tax and sales and use tax changes being less impactful on net than in past revenue forecasts.

Corporate Income Tax Revenue estimates are revised upward by \$60.4 million for FY24 and \$40.4 million for FY25. Upward revisions to FY26 and FY27 are \$24.7 million and \$24.2 million, respectively. Corporate income tax receipts continue to perform above budget, with relatively large positive variances in each of the three months since the December revenue forecast. Through January, corporate income tax revenue was \$32.3 million (15.5%) over budget and continued strong payments plus unusually large one-time audit payments in February will increase the year-to-date surplus to \$47.0 million. Based on tax year 2022 tax returns filed on extension in October, corporate income tax liability is now estimated to have increased by 34.0% over tax year 2021. The much stronger 2022 liability growth has significantly reduced the concern we had through much of last year regarding corporate payments far in excess of liability. The lower positive adjustments to the forecast in FY26 and FY27 reflect the impact of the new DIRIGO Business Incentive Program and the moderation of tax increases due to conformity with provisions in the 2017 federal Tax Cuts and Jobs Act.

Individual Income Tax Revenue estimates are revised upward by \$6.0 million for FY24, but are reduced by \$22.0 million for FY25, \$27.0 million for FY26, and \$33.0 million for FY27. In the November 2023 report, the CEFC increased its wage and salary growth forecast for 2023 from 6.0% to 7.5%, which significantly increased annual tax liability over the forecast period. Based on updated information from Maine Department of Labor the CEFC reversed that change in its February forecast, thereby reversing the related increase in revenue in the RFC's December revenue forecast. The reduction in 2023 wage and salary growth is estimated to decrease tax year 2023 individual income liability by \$32.7 million as wages and salaries are the largest source of taxable income. The lower base for wages and salaries in 2023 results in forecasted annual decreases in individual income tax liability of \$34.5 million in tax year 2024 and rising to approximately \$56.7 million in tax year 2027. In addition, with most tax year 2022 returns processed and available for review, it has become apparent that tax year 2022 tax liability was lower than forecasted in the December revenue forecast. Applying the CEFC's economic forecast to this lower tax base further reduces the individual income tax forecast. Some changes did partially offset the negative impacts of the wage and salary forecast and lower tax year 2022 tax liability. First, the CEFC lowered its inflation forecast for the forecast period, which will increase individual income tax receipts because lower inflation will reduce inflation adjustments to numerous individual income tax parameters (e.g., standard deduction amounts, personal exemption amount, tax brackets, etc.). Second, more optimistic forecasts of capital gains and business income helped to limit the net decrease in FY25-FY27 individual income tax revenues.

¹

Informational : General Fund Summary without Milk Pool Transfer Proposed Change

	FY23	FY24	FY25	FY26	FY27
<i>Current Forecast</i>	\$5,379,492,013	\$5,249,523,398	\$5,311,008,295	\$5,421,191,639	\$5,619,472,393
<i>Annual % Growth</i>	-0.2%	-2.4%	1.2%	2.1%	3.7%
<i>Net Increase (Decrease)</i>	\$0	\$83,039,643	\$24,732,518	\$6,407,546	(\$9,318,088)
<i>Revised Forecast</i>	\$5,379,492,013	\$5,332,563,041	\$5,335,740,813	\$5,427,599,186	\$5,610,154,305
<i>Annual % Growth</i>	-0.2%	-0.9%	0.1%	1.7%	3.4%

Sales and Use Tax Revenue estimates are revised upward by a relatively minor \$4.7 million for FY24, \$5.7 million for FY25, and \$1.9 million for FY26. FY27 has been adjusted down by \$8.7 million. The fiscal year adjustments to the sales and use tax forecast reflect a resilient consumer, but an expectation that overall consumer spending will be lower than previously projected over the forecast period. The shift in consumer spending back to mostly nontaxed services is expected to continue, with the percentage of personal consumption expenditures on services now forecasted to return to its pre-pandemic level later in calendar year 2025. While sales tax revenue growth is forecasted to grow in nominal terms, real growth (adjusted for inflation) is expected to decline beginning in FY25.

Highway Fund Summary

	FY23	FY24	FY25	FY26	FY27
Current 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%
Net Increase (Decrease)	\$0	\$9,320,307	\$9,846,579	\$10,985,800	\$11,855,501
Revised Forecast	\$349,536,401	\$499,115,825	\$504,266,522	\$504,885,309	\$504,423,534
Annual % Growth	1.4%	42.8%	1.0%	0.1%	-0.1%

The RFC has revised Highway Fund revenue estimates upward by \$9.3 million for FY24 and by \$9.8 million for FY25 for a total increase of \$19.2 million (1.9%) for the 2024-2025 biennium. The forecasted rate of year-over-year change in Highway Fund revenue for FY24 is 42.8% from FY23 final revenue amounts, followed by 1.0% for FY25. The March 2024 forecast revises 2026-2027 biennium revenue estimates upward by \$22.8 million (2.3%) for the biennium, with a resulting forecasted rate of year-over-year increase of 0.1% for FY26 and a decrease of 0.1% for FY27. The increases in the March 2024 Highway Fund forecast are largely the result of increases in the estimates for the new liquor operations fund transfer to the Highway Fund and increases in motor vehicle registration and fees. As was noted in the December forecast, the significant 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) of \$107.5 million and the liquor operations fund transfer originally budgeted at \$53 million for FY24.

In their February report the CEFC noted that, “demographic changes and global geopolitical tensions were among the key risks to continued economic growth,” and that, “while Maine is expected to continue seeing higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future.” These assumptions of current uncertainty in the larger economic environment paired with future demographically related changes in the Maine economy are reflected in the economic variables used by the RFC in this March revenue forecast. While there has been ongoing strength in revenues related to corporations and capital gains, it is difficult to attribute strength in these revenues to specific economic trends in Maine and these revenue sources will require continued monitoring. Withholding has slowed in recent months although it is unclear whether this is a temporary or longer-term trend. The shift in consumer spending from goods to services has continued at a slower-than-expected pace, bolstering sales tax revenue in the near term. Both the CEFC and RFC will continue to monitor changes in economic conditions over the coming months in preparation for their required November 2024 and December 2024 reports.

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

Report of the Maine State Revenue Forecasting Committee March 2024 Forecast

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

Introduction

The Revenue Forecasting Committee (RFC) met on February 28, 2024, to review and update the revenue forecast to comply with its statutory reporting date of March 1st. 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 January 26, 2024, to review and revise its forecast through 2027 and additionally forecast through 2029. Two additional hypothetical recession scenarios of varying severity were identified to meet the Commission's statutory requirement related to the stress-testing of revenues. This meeting builds on the Commission's forecast update of November 1, 2023, incorporating the most recent updates available for all relevant baseline data.

The CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. While Maine is expected to continue seeing higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future. Inflation decelerated throughout 2023, and the CEFC noted that the Federal Reserve is expected to continue pursuing policies that will constrain inflation to its target levels. Demographic changes and global geopolitical tensions were among the key risks to continued economic growth identified by the CEFC. The Commission also had conversations concerning potential future risks posed by skill shortages and emotional strains on workers in the healthcare sector and by the impacts of climate change, most notable in Maine by the damage from flooding and ocean storm surge.

The Commission revised its forecast for wage and salary employment growth for 2023 from 1.2% to 1.8% reflecting the most recent data available from the Maine Department of Labor including anticipated upward revisions to the annual data. The forecasts for 2024 to 2027 were left unchanged and the Commission anticipated 0.1% growth in 2028 and 2029, bringing employment levels to 661,300 in 2029.

The Commission revised its forecast for total personal income growth in 2023 down from 5.9% to 5.1%. The forecasts for total personal income growth were revised up in 2024 from 4.5% to 4.7%, up in 2025 from 4.3% to 4.4%, down in 2026 from 4.4% to 4.3%, and down in 2027 from 4.4% to 4.2%. The Commission developed an initial forecast for 2028 and 2029 personal income growth of 4.2% for both years.

The forecast for wage and salary income growth was revised down for 2023 from 7.5% to 6.1% to reflect the most current data from the Maine Department of Labor, including anticipated upward revisions to the annual figures. No revisions were made for 2024 or 2025, but the Commission made downward adjustments for 2026 and 2027 from 4.3% to 4.0% for both years. The Commission also established a forecast of 4.0% for 2028 and 2029.

For the remaining components of personal income, the 2023 forecasts reflect growth as reported by the U.S. Bureau of Economic Analysis for the first three quarters of 2023 relative to the same period of 2022.

The forecast for growth in supplements to wages and salaries was revised up from 3.5% to 4.4% in 2023. The forecast for 2024-2027 was left unchanged and the Commission established a forecast of 3.0% growth for both 2028 and 2029.

The forecast for nonfarm proprietor’s income growth was revised up from 3.8% to 6.6% for 2023. The Commission also revised its forecast upward for 2024 from 3.0% to 5.0% and downward for 2027 from 4.0% to 3.0%. With these revisions and the establishment of a forecast of 3.0% for both 2028 and 2029, the current forecast anticipates growth of 3.0% each year from 2025-2029.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2023 and 2024, from 6.5% and 5.0% to 7.0% and 5.5%, respectively. The Commission left the rest of the forecast years unchanged and anticipated that the 4.5% growth forecast for 2025 to 2027 would continue through 2028 and 2029.

The forecast for personal current transfer receipts growth was revised downward for 2023 from 3.5% to 2.0%. Forecast years 2024-2027 were left unchanged and the Commission established a forecast of 5.0% growth in transfer receipts for both 2028 and 2029.

Annual inflation according to the Consumer Price Index (CPI) was 4.1% in 2023, equivalent to the Commission’s forecast for that year. The Commission made downward revisions for all remaining forecast years, going from 3.2% to 2.7% in 2024, from 2.7% to 2.4% in 2025, from 2.7% to 2.3% in 2026, and from 2.7% to 2.2% in 2027. The Commission established a forecast of 2.2% growth for 2028 and 2029.

The forecast for corporate profits was unchanged for 2023 but revised upward in 2024 from –1.0% to +1.0% to better align with the S&P and Moody’s Analytics forecasts and reflecting the Commission’s view that corporate profits are unlikely to decline in 2024. No changes were made for 2025, but the Commission made downward revisions for 2026 and 2027 from 3.0% growth to 2.0% growth for both years. The Commission established a forecast of 2.0% growth for 2028 and 2029.

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 February 28, 2024, and agreed to those recommendations with minor changes. 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 March 2024 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	\$5,249,523,398	\$5,311,008,295	\$5,421,191,639	\$5,619,472,393
Annual % Growth	-0.2%	-2.4%	1.2%	2.1%	3.7%
Net Increase (Decrease)	\$0	\$82,371,821	(\$5,443,882)	(\$27,562,075)	(\$45,014,285)
Revised Forecast	\$5,379,492,013	\$5,331,895,219	\$5,305,564,413	\$5,393,629,565	\$5,574,458,108
Annual % Growth	-0.2%	-0.9%	-0.5%	1.7%	3.4%

General Fund revenue estimates are revised upward by \$82.4 million for FY24 and downward by \$5.4 million for FY25 for a net increase of \$76.9 million (0.7%) for the 2024-2025 biennium. The resulting

forecasted rate of year-over-year change in General Fund revenue for FY24 is now a 0.9% decrease from FY23 final revenue amounts, followed by a decrease of 0.5% for FY25. The March 2024 forecast revises 2026-2027 revenue estimates downward by \$72.6 million (0.7%) for the biennium, with a forecasted rate of year-over-year growth of 1.7% for FY26 and 3.4% for FY27. **It is important to note the March 2024 RFC forecast includes a significant increase in General Fund payments (transfers) to the Maine Milk Pool required as a result of a major substantive rule submitted by the Maine Milk Commission to the Legislature in January that will become law as proposed if not acted upon by the Legislature this session. Without these estimated increased milk pool transfers, the March 2024 update would have revised General Fund revenue upward by \$83.0 million for FY24 and by \$24.7 million for FY25 for a combined increase of \$107.8 million (1.0%) for the 2024-2025 biennium. Without the estimated increased milk pool transfers, 2026-2027 biennium General Fund revenue estimates would have been revised downward by \$2.9 million (0.03%) for the biennium, with a forecasted rate of year-over-year growth of 1.7% for FY26 and 3.4% for FY27.¹**

The changes in General Fund revenue during the forecast period from the three largest revenue lines are primarily from the corporate income tax, with individual income tax and sales and use tax changes being less impactful on net than in past revenue forecasts.

Corporate Income Tax Revenue estimates are revised upward by \$60.4 million for FY24 and \$40.4 million for FY25. Upward revisions to FY26 and FY27 are \$24.7 million and \$24.2 million, respectively. Corporate income tax receipts continue to perform above budget, with relatively large positive variances in each of the three months since the December revenue forecast. Through January, corporate income tax revenue was \$32.3 million (15.5%) over budget and continued strong payments plus unusually large one-time audit payments in February will increase the year-to-date surplus to \$47.0 million. Based on tax year 2022 tax returns filed on extension in October, corporate income tax liability is now estimated to have increased by 34.0% over tax year 2021. The much stronger 2022 liability growth has significantly reduced the concern the RFC had through much of last year regarding corporate payments far in excess of liability. The lower positive adjustments to the forecast in FY26 and FY27 reflect the impact of the new DIRIGO Business Incentive Program and the moderation of tax increases due to conformity with provisions in the 2017 federal Tax Cuts and Jobs Act.

Individual Income Tax Revenue estimates are revised upward by \$6.0 million for FY24, but are reduced by \$22.0 million for FY25, \$27.0 million for FY26, and \$33.0 million for FY27. In the November 2023 report, the CEFC increased its wage and salary growth forecast for 2023 from 6.0% to 7.5%, which significantly increased annual tax liability over the forecast period. Based on updated information from Maine Department of Labor the CEFC reversed that change in its February forecast, thereby reversing the related increase in revenue in the RFC's December revenue forecast. The reduction in 2023 wage and salary growth is estimated to decrease tax year 2023 individual income liability by \$32.7 million as wages and salaries are the largest source of taxable income. The lower base for wages and salaries in 2023 results in forecasted annual decreases in individual income tax liability of \$34.5 million in tax year 2024 and rising to approximately \$56.7 million in tax year 2027. In addition, with most tax year 2022 returns processed and

1

Informational : General Fund Summary without Milk Pool Transfer Proposed Change

	FY23	FY24	FY25	FY26	FY27
<i>Current Forecast</i>	\$5,379,492,013	\$5,249,523,398	\$5,311,008,295	\$5,421,191,639	\$5,619,472,393
<i>Annual % Growth</i>	-0.2%	-2.4%	1.2%	2.1%	3.7%
<i>Net Increase (Decrease)</i>	\$0	\$83,039,643	\$24,732,518	\$6,407,546	(\$9,318,088)
<i>Revised Forecast</i>	\$5,379,492,013	\$5,332,563,041	\$5,335,740,813	\$5,427,599,186	\$5,610,154,305
<i>Annual % Growth</i>	-0.2%	-0.9%	0.1%	1.7%	3.4%

available for review, it has become apparent that tax year 2022 tax liability was lower than forecasted in the December revenue forecast. Applying the CEFC's economic forecast to this lower tax base further reduces the individual income tax forecast. Some changes did partially offset the negative impacts of the wage and salary forecast and lower tax year 2022 tax liability. First, the CEFC lowered its inflation forecast for the forecast period, which will increase individual income tax receipts because lower inflation will reduce inflation adjustments to numerous individual income tax parameters (e.g., standard deduction amounts, personal exemption amount, tax brackets, etc.). Second, more optimistic forecasts of capital gains and business income helped to limit the net decrease in FY25-FY27 individual income tax revenues.

Sales and Use Tax Revenue estimates are revised upward by a relatively minor \$4.7 million for FY24, \$5.7 million for FY25, and \$1.9 million for FY26. FY27 has been adjusted down by \$8.7 million. The fiscal year adjustments to the sale and use tax forecast reflect a resilient consumer, but an expectation that overall consumer spending will be lower than previously projected over the forecast period. The shift in consumer spending back to mostly nontaxed services is expected to continue, with the percentage of personal consumption expenditures on services now forecasted to return to its pre-pandemic level later in calendar year 2025. While sales tax revenue growth is forecasted to grow in nominal terms, real growth (adjusted for inflation) is expected to decline beginning in FY25.

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 \$0.6 million in FY24 but net positive adjustments of \$2.3 million in FY25, \$1.9 million in FY26, and \$1.3 million in FY27. These net adjustments are the result of assumed decreases in cigarette and tobacco tax revenue offset by increases in adult-use cannabis excise tax revenue of \$1.6 million in FY24, \$2.4 million in FY25, \$2.7 million in FY26, and \$2.8 million in FY27.
- **Estate Tax.** The forecast for estate taxes assumes a decrease of \$4.8 million in FY24, \$2.6 million in FY25, \$2.5 million in FY26, and \$2.5 million per year in FY27. The decrease for FY24 reflects revenue performance through February 2024. Forecasted net decreases after FY24 are based on a lower 2023 base, which reduces ongoing revenues, and lower estimated exemption amounts because of the lower CEFC inflation forecast, which offsets a portion of the impact of the lower 2023 base.
- **Adult-Use Cannabis Sales Tax.** The sales and use tax forecast above assume gross adult-use cannabis sales tax revenue of \$23.1 million in FY24, \$28.0 million in FY25, \$32.5 million in FY26, and \$36.9 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 and are estimated to be \$2.7 million in FY24, \$3.3 million in FY25, \$3.9 million in FY26, and \$4.4 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 that in FY23 were approximately \$15.8 million.
- **Adult-Use Cannabis Excise Tax.** The cigarette and tobacco taxes forecast above assumes gross cannabis excise tax revenue of \$16.4 million in FY24, \$19.7 million in FY25, \$22.2 million in FY26, and \$24.5 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 and are estimated to be \$1.9 million in FY24, \$2.3

million in FY25, \$2.6 million in FY26, and \$2.9 million in FY27. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063).

- **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 \$2.2 million in FY24, \$1.1 million in FY25, and \$0.1 million in FY26 but decreased by \$0.8 million in FY27.
- **Municipal Business Equipment Tax Reimbursement (“BETR”) program.** The forecast for revenue transferred under the BETR program for FY24 through FY27 is increased (negative impact on the General Fund) by \$1.0 million per year based on actual revenue performance through February 2024.
- **Transfer from the Lottery Commission.** The forecast for transfers to the General Fund from the Lottery Commission are revised upward by \$5.0 million per year for FY24 through FY27 based on actual collections to date for FY24 that are consistent with experience in recent years.
- **Income from Investments.** General Fund income from investments is forecast to increase by \$5.2 million in FY24, \$4.5 million in FY25, \$3.3 million in FY26, and \$3.9 million in FY27. These increases are largely the result of increased fund balance 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 \$.04 million in FY25, \$0.6 million in FY26, and \$0.9 million in FY27.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue decreased by \$0.2 million in FY24, \$0.7 million in FY25, and then increased by \$0.4 million in FY26 and \$1.0 million in FY27 based on recent revenue collection experience and the new economic forecast.
- **Other Taxes and Fees – Corporation Fees and Licenses.** The forecast for FY24 through FY27 is increased by \$0.7 million per year based on recent revenue collection trends.
- **Other Taxes and Fees – Casino Revenue.** General Fund casino revenue is forecast to decrease slightly in FY24 and then increase by \$0.1 million in FY25 and \$0.2 million per year for FY26 and FY27. The forecast incorporates individual growth rates for each facility (i.e., Hollywood Bangor and Oxford) and device and reflects historical growth/loss trends.
- **Other Taxes and Fees – Transfer to Maine Milk Pool.** The forecast for transfers to the milk pool is adjusted upward (negative impact on the General Fund) by \$0.7 million in FY24, reflecting a holding of the federal blend prices with slightly higher tier support payments. Transfers are adjusted upward by \$30.2 million in FY25, \$34.0 million in FY26, and \$35.7 million in FY27. These significant upward adjustments assume adoption of new target prices within the tier program that incorporate findings from the 2022 Cost of Production Study. These increases are reflected in a major substantive rule submitted by the Maine Milk Commission to the Legislature in January that will become law as proposed if not acted upon by the Legislature this session.
- **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 forecast for FY24 is increased by \$0.8 million, from \$2.2 million to \$3.0 million, reflecting higher than anticipated activity. The forecast remains unchanged for FY25 and FY26 at \$4.5 million per year and for FY27 at \$4.6 million.
- **Other Revenue – Unclaimed Property Transfer.** The forecast for unclaimed property transfers is increased by \$9.8 million in FY24 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. The forecast for FY25 is revised downward by \$6.0 million assuming the balance in unclaimed relief payments is exhausted and then remains unchanged for FY26 and FY27.

Highway Fund Summary

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Net Increase (Decrease)	\$0	\$9,320,307	\$9,846,579	\$10,985,800	\$11,855,501
Revised Forecast	\$349,536,401	\$499,115,825	\$504,266,522	\$504,885,309	\$504,423,534
Annual % Growth	1.4%	42.8%	1.0%	0.1%	-0.1%

Highway Fund revenue estimates are revised upward by \$9.3 million for FY24 and by \$9.8 million for FY25 for a total increase of \$19.2 million (1.9%) for the 2024-2025 biennium. The forecasted rate of year-over-year change in Highway Fund revenue for FY24 is 42.8% from FY23 final revenue amounts, followed by 1.0% for FY25. The March 2024 forecast revises 2026-2027 biennium revenue estimates upward by \$22.8 million (2.3%) for the biennium, with a resulting forecasted rate of year-over-year increase of 0.1% for FY26 and a decrease of 0.1% for FY27. The increases in the March 2024 Highway Fund forecast are largely the result of increases in estimates for the new liquor operations fund transfer to the Highway Fund (\$6.0 million per year) and increases in motor vehicle registration and fees (\$2.8 million per year). Fuel taxes revenue is estimated to increase by \$0.4 million in FY24, \$1.0 million in FY25, \$1.6 million in FY26, and 2.1 million in FY27.

As was noted in the December forecast, the significant 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) of \$107.5 million and the liquor operations fund transfer originally budgeted at \$53 million for FY24.

Fund for a Healthy Maine Summary

	FY23	FY24	FY25	FY26	FY27
Current 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%
Net Increase (Decrease)	\$0	(\$47,855)	\$114,029	\$95,899	\$95,801
Revised Forecast	\$57,654,337	\$38,564,703	\$36,715,115	\$35,531,961	\$35,284,187
Annual % Growth	5.3%	-33.1%	-4.8%	-3.2%	-0.7%

Fund for a Healthy Maine (FHM) revenue estimates are revised downward by \$0.05 million for FY24 but upward by \$0.11 million for FY25, \$0.10 million for FY26, and \$0.10 million for FY27. FHM revenue primarily derives from the State's annual Tobacco Settlement Payment (TSP). As in previous forecasts, the forecast for TSPs is based on the latest forecast from the National Association of Attorneys General (NAAG). The estimates for the TSP remained the same as the December 2023 forecast. The FHM share of casino revenue is revised downward by \$0.16 million for FY24 but upward by \$0.06 million per year for FY25 through FY27, consistent with the changes in the overall forecast for Hollywood Casino Bangor revenue. The FHM forecast is also revised upward by \$0.11 for FY24, \$0.05 for FY25, and \$0.03 per year for FY26 and 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	\$232,237,006	\$206,124,529	\$168,571,512	\$168,571,512
Annual % Growth	3.4%	1.9%	-11.2%	-18.2%	0.0%
Net Increase (Decrease)	\$0	\$3,158,832	\$3,049,916	\$2,941,000	\$2,941,000
Revised Forecast	\$227,847,296	\$235,395,838	\$209,174,445	\$171,512,512	\$171,512,512
Annual % Growth	3.4%	3.3%	-11.1%	-18.0%	0.0%

Medicaid/MaineCare Dedicated revenue estimates are revised upward by \$3.2 million for FY24, \$3.0 million for FY25 and \$2.9 million per year for FY26 and 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 FY24 experience through January of 2024. The FY26 and FY27 forecast reflects upward adjustments for nursing facility tax revenue and residential treatment facility tax revenue.

Conclusion

In their February report the CEFC noted that, “demographic changes and global geopolitical tensions were among the key risks to continued economic growth,” and that, “while Maine is expected to continue seeing higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future.” These assumptions of current uncertainty in the larger economic environment paired with future demographically related changes in the Maine economy are reflected in the economic variables used by the RFC in this March revenue forecast. While there has been ongoing strength in revenues related to corporations and capital gains, it is difficult to attribute strength in these revenues to specific economic trends in Maine and these revenue sources will require continued monitoring. Withholding has slowed in recent months although it is unclear whether this is a temporary or longer-term trend. The shift in consumer spending from goods to services has continued at a slower-than-expected pace, bolstering sales tax revenue in the near term. Both the CEFC and RFC will continue to monitor changes in economic conditions over the coming months in preparation for their required November 2024 and December 2024 reports.



Appendix A

General Fund Summary Table

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 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 ¹	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 ²	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%
Total - General Fund Revenue	3,848,511,092	6.6%	3,969,343,702	3.1%	4,520,591,145	13.9%	5,391,613,569	19.3%	5,379,492,013	-0.2%	5,264,410,573	115,081,440	-2.4%

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$23.1 million in FY24; \$28.0 million in FY25; \$32.5 million in FY26 and \$36.9 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 \$2.7 million in FY24; \$3.3 million in FY25; \$3.9 million in FY26 and \$4.4 million in FY27.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.4 million in FY24; \$19.7 million in FY25; \$22.2 million in FY26 and \$24.5 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 \$1.9 million in FY24; \$2.3 million in FY25; \$2.6 million in FY26 and \$2.9 million in FY27.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Sales and Use Tax ¹	2,247,423,851	3.4%	4,736,708	2,252,160,559	3.6%	2,280,259,525	1.5%	5,752,957	2,286,012,482	1.5%
Service Provider Tax	49,110,044	-4.6%	123,989	49,234,033	-4.3%	47,385,225	-3.5%	(618,412)	46,766,813	-5.0%
Individual Income Tax	2,436,073,714	-1.5%	6,000,000	2,442,073,714	-1.3%	2,476,470,720	1.7%	(22,000,000)	2,454,470,720	0.5%
Corporate Income Tax	375,623,000	-16.8%	60,377,000	436,000,000	-3.4%	387,641,269	3.2%	40,358,731	428,000,000	-1.8%
Cigarette and Tobacco Tax ²	153,348,622	2.3%	(568,655)	152,779,967	1.9%	153,282,255	0.0%	2,349,203	155,631,458	1.9%
Insurance Companies Tax	118,460,000	3.8%	0	118,460,000	3.8%	124,140,000	4.8%	0	124,140,000	4.8%
Estate Tax	23,600,000	-21.6%	(4,760,000)	18,840,000	-37.4%	30,050,000	27.3%	(2,610,000)	27,440,000	45.6%
Other Taxes and Fees *	144,683,537	-5.1%	983,869	145,667,406	-4.4%	152,206,253	5.2%	107,966	152,314,219	4.6%
Fines, Forfeits and Penalties	14,954,289	41.4%	498,078	15,452,367	46.1%	11,533,639	-22.9%	250,000	11,783,639	-23.7%
Income from Investments	49,891,282	47.6%	5,211,372	55,102,654	63.0%	33,524,027	-32.8%	4,483,485	38,007,512	-31.0%
Transfer from Lottery Commission	68,000,000	-5.7%	5,000,000	73,000,000	1.3%	65,000,000	-4.4%	5,000,000	70,000,000	-4.1%
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 *	(81,730,000)	-0.3%	(1,000,000)	(82,730,000)	-1.5%	(85,210,000)	-4.3%	(1,000,000)	(86,210,000)	-4.2%
Transfers to Municipal Rev. Sharing	(261,429,468)	0.7%	(2,191,496)	(263,620,964)	-0.1%	(263,499,338)	-0.8%	(1,135,789)	(264,635,127)	-0.4%
Highway Fund Sales Tax Transfer	(107,534,228)	N/A	0	(107,534,228)	N/A	(115,383,193)	-7.3%	(35,086)	(115,418,279)	-7.3%
Other Revenue *	12,048,755	-0.8%	7,960,957	20,009,711	64.7%	6,607,913	-45.2%	(36,346,937)	(29,739,025)	-248.6%
Total - General Fund Revenue	5,249,523,398	-2.4%	82,371,821	5,331,895,219	-0.9%	5,311,008,295	1.2%	(5,443,882)	5,305,564,413	-0.5%
								76,927,940		

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$23.1 million in FY24; \$28.0 million in FY25; \$32.5 million in FY26 and \$36.9 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 \$2.7 million in FY24; \$3.3 million in FY25; \$3.9 million in FY26 and \$4.4 million in FY27.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.4 million in FY24; \$19.7 million in FY25; \$22.2 million in FY26 and \$24.5 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 \$1.9 million in FY24; \$2.3 million in FY25; \$2.6 million in FY26 and \$2.9 million in FY27.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Sales and Use Tax ¹	2,320,515,056	1.8%	1,910,135	2,322,425,191	1.6%	2,373,211,496	2.3%	(8,714,258)	2,364,497,239	1.8%
Service Provider Tax	45,944,100	-3.0%	(688,853)	45,255,247	-3.2%	44,516,245	-3.1%	(742,857)	43,773,387	-3.3%
Individual Income Tax	2,574,454,320	4.0%	(27,000,000)	2,547,454,320	3.8%	2,720,251,706	5.7%	(33,000,000)	2,687,251,706	5.5%
Corporate Income Tax	391,245,997	0.9%	24,754,003	416,000,000	-2.8%	407,815,831	4.2%	24,184,167	431,999,998	3.8%
Cigarette and Tobacco Tax ²	155,181,566	1.2%	1,874,558	157,056,124	0.9%	157,160,465	1.3%	1,261,805	158,422,270	0.9%
Insurance Companies Tax	131,030,000	5.6%	0	131,030,000	5.6%	136,370,000	4.1%	0	136,370,000	4.1%
Estate Tax	30,200,000	0.5%	(2,480,000)	27,720,000	1.0%	30,275,000	0.2%	(2,455,000)	27,820,000	0.4%
Other Taxes and Fees *	139,088,590	-8.6%	1,442,942	140,531,532	-7.7%	139,179,874	0.1%	2,127,245	141,307,119	0.6%
Fines, Forfeits and Penalties	11,533,639	0.0%	250,000	11,783,639	0.0%	11,533,639	0.0%	250,000	11,783,639	0.0%
Income from Investments	25,542,338	-23.8%	3,312,678	28,855,016	-24.1%	18,458,100	-27.7%	3,884,779	22,342,879	-22.6%
Transfer from Lottery Commission	65,000,000	0.0%	5,000,000	70,000,000	0.0%	65,000,000	0.0%	5,000,000	70,000,000	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 *	(88,380,000)	-3.7%	(1,000,000)	(89,380,000)	-3.7%	(91,710,000)	-3.8%	(1,000,000)	(92,710,000)	-3.7%
Transfers to Municipal Rev. Sharing	(269,846,051)	-2.4%	(128,872)	(269,974,923)	-2.0%	(280,212,809)	-3.8%	805,892	(279,406,917)	-3.5%
Highway Fund Sales Tax Transfer	(116,929,738)	-1.3%	(581,613)	(117,511,351)	-1.8%	(117,687,866)	-0.6%	(889,453)	(118,577,319)	-0.9%
Other Revenue *	(388,177)	-105.9%	(34,227,053)	(34,615,231)	-16.4%	(1,689,288)	-335.2%	(35,726,605)	(37,415,893)	-8.1%
Total - General Fund Revenue	5,421,191,639	2.1%	(27,562,075)	5,393,629,565	1.7%	5,619,472,393	3.7%	(45,014,285)	5,574,458,108	3.4%
Change in Biennial Totals								(72,576,359)		

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$23.1 million in FY24; \$28.0 million in FY25; \$32.5 million in FY26 and \$36.9 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 \$2.7 million in FY24; \$3.3 million in FY25; \$3.9 million in FY26 and \$4.4 million in FY27.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.4 million in FY24; \$19.7 million in FY25; \$22.2 million in FY26 and \$24.5 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 \$1.9 million in FY24; \$2.3 million in FY25; \$2.6 million in FY26 and \$2.9 million in FY27.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 FORECAST

Source	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.	FY23 Budget	FY23 Variance	% Var.
Detail of Other Taxes and Fees:													
- 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%
Detail of Other Revenue:													
- 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%
Detail of Transfers to Tax Relief Programs:													
- 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 F	(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 - MARCH 2024 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	15,931,051	7.3%	0	15,931,051	7.3%	14,883,223	-6.6%	0	14,883,223	-6.6%
- Real Estate Transfer Tax	20,830,062	-6.8%	(227,000)	20,603,062	-7.8%	21,126,563	1.4%	(682,501)	20,444,062	-0.8%
- 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	11,913,649	-21.9%	730,000	12,643,649	-17.1%	11,913,649	0.0%	730,000	12,643,649	0.0%
- Telecommunications Excise Tax	100,000	-98.3%	0	100,000	-98.3%	6,300,000	6200.0%	0	6,300,000	6200.0%
- Finance Industry Fees	26,516,990	-3.4%	(409,380)	26,107,610	-4.9%	25,916,990	-2.3%	0	25,916,990	-0.7%
- Milk Handling Fee	833,650	-1.2%	258,175	1,091,825	29.4%	816,000	-2.1%	0	816,000	-25.3%
- Casino and Racino Revenue	11,551,884	3.8%	(6,904)	11,544,980	3.8%	11,932,337	3.3%	122,110	12,054,447	4.4%
- 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	14,359,960	15.7%	638,978	14,998,938	20.8%	16,671,201	16.1%	(61,643)	16,609,558	10.7%
Subtotal - Other Taxes and Fees	144,683,537	-5.1%	983,869	145,667,406	-4.4%	152,206,253	5.2%	107,966	152,314,219	4.6%
Detail of Other Revenue:										
- 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)	65,123	8.8%	(21,123)	44,000	-26.5%	65,123	0.0%	(21,123)	44,000	0.0%
- State Cost Allocation Program	21,186,402	5.3%	0	21,186,402	5.3%	26,436,802	24.8%	0	26,436,802	24.8%
- Unclaimed Property Transfer	20,000,000	148.6%	9,800,000	29,800,000	270.5%	6,000,000	-70.0%	(6,000,000)	0	-100.0%
- Tourism Transfer	(24,202,942)	-9.2%	0	(24,202,942)	-9.2%	(25,396,697)	-4.9%	(76,996)	(25,473,693)	-5.3%
- Transfer to Maine Milk Pool	(6,102,855)	-567.5%	(667,822)	(6,770,677)	-640.5%	(4,834,734)	20.8%	(30,176,400)	(35,011,134)	-417.1%
- Transfer to Multimodal Trans. Fund	(15,151,927)	-2.6%	0	(15,151,927)	-2.6%	(16,533,090)	-9.1%	(165,611)	(16,698,701)	-10.2%
- Transfer to Adult-Use Cannabis Fund	(4,596,984)	-24.4%	(29,476)	(4,626,460)	-25.2%	(4,292,583)	6.6%	(36,000)	(4,328,583)	6.4%
- Other Miscellaneous Revenue	20,823,438	-18.1%	(1,120,622)	19,702,816	-22.5%	25,134,592	20.7%	129,192	25,263,784	28.2%
Subtotal - Other Revenue	12,048,755	-0.8%	7,960,957	20,009,711	64.7%	6,607,913	-45.2%	(36,346,937)	(29,739,025)	-248.6%
Detail of Transfers to Tax Relief Programs:										
- 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%	(1,000,000)	(18,000,000)	3.6%	(16,000,000)	5.9%	(1,000,000)	(17,000,000)	5.6%
- BETE - Mun. Bus. Equip. Tax Reimb	(64,730,000)	-3.0%	0	(64,730,000)	-3.0%	(69,210,000)	-6.9%	0	(69,210,000)	-6.9%
Subtotal - Tax Relief Transfers	(81,730,000)	-0.3%	(1,000,000)	(82,730,000)	-1.5%	(85,210,000)	-4.3%	(1,000,000)	(86,210,000)	-4.2%
IF&W Total Revenue **	21,503,431	3.9%	2,431	21,505,862	3.9%	21,499,943	0.0%	1,810	21,501,753	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 - MARCH 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Detail of Other Taxes and Fees:										
- 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	10,944,276	-48.2%	351,505	11,295,781	-44.7%	10,888,671	-0.5%	1,005,610	11,894,281	5.3%
- Liquor Taxes and Fees	22,093,824	0.0%	0	22,093,824	0.0%	22,093,824	0.0%	0	22,093,824	0.0%
- Corporation Fees & Licenses	11,913,649	0.0%	730,000	12,643,649	0.0%	11,913,649	0.0%	730,000	12,643,649	0.0%
- Telecommunications Excise Tax	6,300,000	0.0%	0	6,300,000	0.0%	6,250,000	-0.8%	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	816,000	0.0%	272,000	1,088,000	33.3%	816,000	0.0%	272,000	1,088,000	0.0%
- Casino and Racino Revenue	12,016,335	0.7%	150,295	12,166,630	0.9%	12,094,427	0.6%	179,602	12,274,029	0.9%
- 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	13,651,826	-18.1%	(60,858)	13,590,968	-18.2%	13,770,623	0.9%	(59,967)	13,710,656	0.9%
Subtotal - Other Taxes and Fees	139,088,590	-8.6%	1,442,942	140,531,532	-7.7%	139,179,874	0.1%	2,127,245	141,307,119	0.6%
Detail of Other Revenue:										
- Liquor Sales and Operations	28,500	0.0%	0	28,500	0.0%	28,500	0.0%	0	28,500	0.0%
- Targeted Case Management (HHS)	65,123	0.0%	(21,123)	44,000	0.0%	65,123	0.0%	(21,123)	44,000	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	0.0%	0	6,000,000	N/A	6,000,000	0.0%	0	6,000,000	0.0%
- Tourism Transfer	(25,953,657)	-2.2%	(31,402)	(25,985,058)	-2.0%	(26,595,544)	-2.5%	183,879	(26,411,665)	-1.6%
- Transfer to Maine Milk Pool	(10,922,510)	-125.9%	(33,969,621)	(44,892,131)	-28.2%	(10,915,460)	0.1%	(35,696,197)	(46,611,657)	-3.8%
- Transfer to Multimodal Transportatic	(16,399,273)	0.8%	(254,093)	(16,653,366)	0.3%	(16,572,255)	-1.1%	(198,694)	(16,770,949)	-0.7%
- Transfer to Adult-Use Cannabis Func	(4,777,754)	-11.3%	(80,006)	(4,857,761)	-12.2%	(5,271,046)	-10.3%	(123,662)	(5,394,708)	-11.1%
- Other Miscellaneous Revenue	25,134,592	0.0%	129,192	25,263,784	0.0%	25,134,592	0.0%	129,192	25,263,784	0.0%
Subtotal - Other Revenue	(388,177)	-105.9%	(34,227,053)	(34,615,231)	-16.4%	(1,689,288)	-335.2%	(35,726,605)	(37,415,893)	-8.1%
Detail of Transfers to Tax Relief Programs:										
- 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%	(1,000,000)	(16,000,000)	5.9%	(14,000,000)	6.7%	(1,000,000)	(15,000,000)	6.3%
- BETE - Municipal Bus. Equip. Tax F	(73,380,000)	-6.0%	0	(73,380,000)	-6.0%	(77,710,000)	-5.9%	0	(77,710,000)	-5.9%
Subtotal - Tax Relief Transfers	(88,380,000)	-3.7%	(1,000,000)	(89,380,000)	-3.7%	(91,710,000)	-3.8%	(1,000,000)	(92,710,000)	-3.7%
IF&W Total Revenue **	21,497,330	0.0%	2,595	21,499,925	0.0%	21,494,551	0.0%	3,486	21,498,037	0.0%

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



Appendix B

Highway Fund Summary Table

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 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%
Total - Highway Fund Revenue	346,493,814	3.2%	327,176,570	-5.6%	334,002,888	2.1%	344,855,823	3.2%	349,536,401	1.4%	344,576,330	4,960,071	1.4%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	193,503,075	-1.3%	1,799,709	195,302,784	-0.4%	190,919,747	-1.3%	1,340,281	192,260,028	-1.6%
- Special Fuel and Road Use Taxes	49,212,136	-0.3%	(1,319,950)	47,892,186	-2.9%	49,771,780	1.1%	(226,212)	49,545,568	3.5%
- Transcap Transfers - Fuel Taxes	(24,382,319)	-35.2%	(44,562)	(24,426,881)	-35.4%	(24,181,513)	0.8%	(110,757)	(24,292,270)	0.6%
- Other Fund Gasoline Tax Distributions	(4,838,932)	1.3%	(45,003)	(4,883,935)	0.4%	(4,774,331)	1.3%	(33,516)	(4,807,847)	1.6%
Subtotal - Fuel Taxes	213,493,960	-4.0%	390,194	213,884,154	-3.8%	211,735,683	-0.8%	969,796	212,705,479	-0.6%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,019,954	-5.9%	1,650,000	70,669,954	-3.7%	69,019,954	0.0%	1,650,000	70,669,954	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%	900,000	15,034,523	-18.0%	14,134,523	0.0%	900,000	15,034,523	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	10,158,098	-18.4%	400,000	10,558,098	-15.2%	10,158,098	0.0%	400,000	10,558,098	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,471,839)	1.7%	(135,000)	(16,606,839)	0.9%	(16,456,434)	0.1%	(135,000)	(16,591,434)	0.1%
Subtotal - Motor Vehicle Reg. & Fees	94,737,008	-11.3%	2,815,000	97,552,008	-8.7%	94,723,198	0.0%	2,815,000	97,538,198	0.0%
Motor Vehicle Inspection Fees	3,002,500	-4.3%	0	3,002,500	-4.3%	3,202,500	6.7%	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	2,255,916	219.7%	71,113	2,327,029	229.7%	1,948,022	-13.6%	26,697	1,974,719	-15.1%
Highway Fund Sales Tax Transfer	107,534,228	N/A	0	107,534,228	N/A	115,383,193	7.3%	35,086	115,418,279	7.3%
Liquor Operations Fund Transfer	53,000,000	N/A	6,000,000	59,000,000	N/A	53,000,000	0.0%	6,000,000	59,000,000	0.0%
Other Highway Fund Revenues	13,749,024	1.8%	44,000	13,793,024	2.2%	12,404,465	-9.8%	0	12,404,465	-10.1%
Total - Highway Fund Revenue	489,795,518	40.1%	9,320,307	499,115,825	42.8%	494,419,943	0.9%	9,846,579	504,266,522	1.0%
Change in Biennial Totals								19,166,886		

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	188,985,326	-1.0%	1,921,370	190,906,696	-0.7%	186,927,356	-1.1%	2,581,600	189,508,956	-0.7%
- Special Fuel and Road Use Taxes	50,037,133	0.5%	(137,808)	49,899,325	0.7%	50,291,441	0.5%	(166,849)	50,124,592	0.5%
- Transcap Transfers - Fuel Taxes	(24,015,391)	0.7%	(177,892)	(24,193,283)	0.4%	(23,835,792)	0.7%	(240,894)	(24,076,686)	0.5%
- Other Fund Gasoline Tax Distributions	(4,725,956)	1.0%	(48,048)	(4,774,004)	0.7%	(4,674,491)	1.1%	(64,560)	(4,739,051)	0.7%
Subtotal - Fuel Taxes	210,281,112	-0.7%	1,557,622	211,838,734	-0.4%	208,708,514	-0.7%	2,109,297	210,817,811	-0.5%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	69,019,954	0.0%	1,650,000	70,669,954	0.0%	69,019,954	0.0%	1,650,000	70,669,954	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%	900,000	15,034,523	0.0%	14,134,523	0.0%	900,000	15,034,523	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	10,158,098	0.0%	400,000	10,558,098	0.0%	10,158,098	0.0%	400,000	10,558,098	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,456,434)	0.0%	(135,000)	(16,591,434)	0.0%	(16,456,434)	0.0%	(135,000)	(16,591,434)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	94,723,198	0.0%	2,815,000	97,538,198	0.0%	94,723,198	0.0%	2,815,000	97,538,198	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	1,335,614	-31.4%	31,565	1,367,179	-30.8%	818,608	-38.7%	41,751	860,359	-37.1%
Highway Fund Sales Tax Transfer	116,929,738	1.3%	581,613	117,511,351	1.8%	117,687,866	0.6%	889,453	118,577,319	0.9%
Liquor Operations Fund Transfer	53,000,000	0.0%	6,000,000	59,000,000	0.0%	53,000,000	0.0%	6,000,000	59,000,000	0.0%
Other Highway Fund Revenues	12,404,465	0.0%	0	12,404,465	0.0%	12,404,465	0.0%	0	12,404,465	0.0%
Total - Highway Fund Revenue	493,899,509	-0.1%	10,985,800	504,885,309	0.1%	492,568,033	-0.3%	11,855,501	504,423,534	-0.1%
Change in Biennial Totals								22,841,301		



Appendix C

Fund for a Healthy Maine Summary **Table**

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT PAYMENTS) REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2024 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
Total - FHM Revenue	82,178,042	14.6%	49,543,354	-39.7%	51,082,487	3.1%	54,737,748	7.2%	57,654,337	5.3%	57,560,974	93,363	0.2%

* 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 - MARCH 2024 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Var.
Tobacco Settlement Payments:										
- Base Payments *	31,768,790	-39.2%	0	31,768,790	-39.2%	30,175,419	-5.0%	0	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	31,768,790	-39.2%	0	31,768,790	-39.2%	30,175,419	-5.0%	0	30,175,419	-5.0%
Casino Revenue ****	5,252,867	16.6%	(161,398)	5,091,469	13.0%	5,527,179	5.2%	67,510	5,594,689	9.9%
Income from Investments	1,590,901	101.0%	113,543	1,704,444	115.4%	898,488	-43.5%	46,519	945,007	-44.6%
Other Adjustments *****	0	-100.0%	0	0	-100.0%	0	N/A	0	0	N/A
Total - FHM Revenue	38,612,558	-33.0%	(47,855)	38,564,703	-33.1%	36,601,086	-5.2%	114,029	36,715,115	-4.8%
Change in Biennial Totals								66,174		

* 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 - MARCH 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments *	29,306,494	-2.9%	0	29,306,494	-2.9%	29,306,494	0.0%	0	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	29,306,494	-2.9%	0	29,306,494	-2.9%	29,306,494	0.0%	0	29,306,494	0.0%
Casino Revenue ****	5,527,731	0.0%	67,517	5,595,248	0.0%	5,528,284	0.0%	67,524	5,595,808	0.0%
Income from Investments	601,837	-33.0%	28,382	630,219	-33.3%	353,608	-41.2%	28,277	381,885	-39.4%
Other Adjustments *****	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Total - FHM Revenue	35,436,062	-3.2%	95,899	35,531,961	-3.2%	35,188,386	-0.7%	95,801	35,284,187	-0.7%
Change in Biennial Totals	191,700									

* 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 - MARCH 2024 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%
Total - Health Care Provider Taxes	189,983,107	2.6%	214,138,364	12.7%	208,221,403	-2.8%	220,410,709	5.9%	227,847,296	3.4%	229,008,892	(1,161,596)	-0.5%

* 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.

** Public Law 2023, chapter 412, Part XXX 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 - MARCH 2024 FORECAST

Source	FY24 Budget	% Chg.	Recom. Chg.	FY24 Revised	% Chg.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Nursing Facility Tax	41,000,000	-3.2%	2,500,000	43,500,000	2.7%	43,118,022	5.2%	2,500,000	45,618,022	4.9%
Residential Treatment Facility (ICFs/MR) Tax	3,155,000	3.8%	441,000	3,596,000	18.3%	3,155,000	0.0%	441,000	3,596,000	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) **	60,375,468	4.5%	217,832	60,593,300	4.9%	37,553,017	-37.8%	108,916	37,661,933	-37.8%
Total - Health Care Provider Taxes	232,237,006	1.9%	3,158,832	235,395,838	3.3%	206,124,529	-11.2%	3,049,916	209,174,445	-11.1%
Change in Biennial Totals								6,208,748		

* 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.

** Public Law 2023, chapter 412, Part XXX 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 - MARCH 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.
Nursing Facility Tax	43,118,022	0.0%	2,500,000	45,618,022	0.0%	43,118,022	0.0%	2,500,000	45,618,022	0.0%
Residential Treatment Facility (ICFs/MR) Tax	3,155,000	0.0%	441,000	3,596,000	0.0%	3,155,000	0.0%	441,000	3,596,000	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) **	(0)	-100.0%	0	(0)	-100.0%	(0)	0.0%	0	(0)	0.0%
Total - Health Care Provider Taxes	168,571,512	-18.2%	2,941,000	171,512,512	-18.0%	168,571,512	0.0%	2,941,000	171,512,512	0.0%
Change in Biennial Totals								5,882,000		

* 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.

** Public Law 2023, chapter 412, Part XXX eliminated the health care services from the service provider tax under the Maine Revised Statutes, Title 36, section 2552, effective January 1, 2025.



Appendix E

Consensus Economic Forecasting **Commission Report**

February 1, 2024

**Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
February 1, 2024**

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*

Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on January 26, 2024, to review and revise its forecast through 2027 and additionally forecast through 2029. Two additional hypothetical recession scenarios of varying severity were identified to meet the Commission's statutory requirement related to the stress-testing of revenues. This meeting builds on the Commission's forecast update of November 1, 2023, incorporating the most recent updates available for all relevant baseline data. This report provides a summary of the Commission's findings.

The CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. While Maine is expected to continue seeing higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future. Inflation decelerated throughout 2023, and the CEFC noted that the Federal Reserve is expected to continue pursuing policies that will constrain inflation to its target levels. Demographic changes and global geopolitical tensions were among the key risks to continued economic growth identified by the CEFC. The Commission also had conversations concerning potential future risks posed by skill shortages and emotional strains on workers in the healthcare sector and by the impacts of climate change, most notable in Maine by the damage from flooding and ocean storm surge.

The Commission revised its forecast for wage and salary employment up for 2023 from 1.2% to 1.8% reflecting the most recent data available from the Maine Department of Labor including anticipated upward revisions to the annual data. The forecasts for 2024 to 2027 were left unchanged and the Commission anticipated 0.1% growth in 2028 and 2029, bringing employment levels to 661,300 in 2029.

The Commission revised its forecast for total personal income growth in 2023 down from 5.9% to 5.1%. The forecasts for total personal income growth were revised up in 2024 from 4.5% to 4.7%, up in 2025 from 4.3% to 4.4%, down in 2026 from 4.4% to 4.3%, and down in 2027 from 4.4% to 4.2%. The Commission developed an initial forecast for 2028 and 2029 personal income growth of 4.2% for both years.

The forecast for wage and salary income growth was revised down for 2023 from 7.5% to 6.1% to reflect the most current data from the Maine Department of Labor, including anticipated upward revisions to the annual figures. No revisions were made for 2024 or 2025, but the Commission made downward adjustments for 2026 and 2027 from 4.3% to 4.0% for both years. The Commission also established a forecast of 4.0% for 2028 and 2029.

For the remaining components of personal income, the 2023 forecasts reflect growth as reported by the U.S. Bureau of Economic Analysis for the first three quarters of 2023 relative to the same period of 2022.

The forecast for growth in supplements to wages and salaries was revised up from 3.5% to 4.4% in 2023. The forecast for 2024-2027 was left unchanged and the Commission established a forecast of 3.0% growth for both 2028 and 2029.

The forecast for nonfarm proprietor's income growth was revised up from 3.8% to 6.6% for 2023. The Commission also revised its forecast upward for 2024 from 3.0% to 5.0% and downward for 2027 from 4.0% to 3.0%. With these revisions and the establishment of a forecast of 3.0% for both 2028 and 2029, the current forecast anticipates growth of 3.0% each year from 2025-2029.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2023 and 2024, from 6.5% and 5.0% to 7.0% and 5.5%, respectively. The Commission left the rest of the forecast years

unchanged and anticipated that the 4.5% growth forecast for 2025 to 2027 would continue through 2028 and 2029.

The forecast for personal current transfer receipts growth was revised downward for 2023 from 3.5% to 2.0%. Forecast years 2024-2027 were left unchanged and the Commission established a forecast of 5.0% growth in transfer receipts for both 2028 and 2029.

Annual inflation according to the Consumer Price Index (CPI) was 4.1% in 2023, equivalent to the Commission's forecast for that year. The Commission made downward revisions for all remaining forecast years, going from 3.2% to 2.7% in 2024, from 2.7% to 2.4% in 2025, from 2.7% to 2.3% in 2026, and from 2.7% to 2.2% in 2027. The Commission established a forecast of 2.2% growth for 2028 and 2029.

The forecast for corporate profits was unchanged for 2023 but revised upward in 2024 from -1.0% to +1.0% to better align with the S&P and Moody's Analytics forecasts and reflecting the Commission's view that corporate profits are unlikely to decline in 2024. No changes were made for 2025, but the Commission made downward revisions for 2026 and 2027 from 3.0% growth to 2.0% growth for both years. The Commission established a forecast of 2.0% growth for 2028 and 2029.

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	2028	2029
Wage & Salary Employment (Annual Percentage Change)								
CEFC Forecast 11/2023	2.4	1.2	0.8	0.4	0.2	0.1	-	-
CEFC Forecast 02/2024	2.4	1.8	0.8	0.4	0.2	0.1	0.1	0.1
Personal Income (Annual Percentage Change)								
CEFC Forecast 11/2023	3.9	5.9	4.5	4.3	4.4	4.4	-	-
CEFC Forecast 02/2024	3.9	5.1	4.7	4.4	4.3	4.2	4.2	4.2
Wage and Salary Income (Annual Percentage Change)								
CEFC Forecast 11/2023	8.5	7.5	5.0	4.0	4.3	4.3	-	-
CEFC Forecast 02/2024	8.5	6.1	5.0	4.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)								
CEFC Forecast 11/2023	8.0	4.1	3.2	2.7	2.7	2.7	-	-
CEFC Forecast 02/2024	8.0	4.1	2.7	2.4	2.3	2.2	2.2	2.2

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 saw continued population growth in 2023, gaining over 6,300 in population. Since 2021, Maine's total net migration rate has ranked in the top ten nationally (5th in 2021, 9th in 2022, and 9th in 2023). Most of this was driven by net domestic migration, in which Maine ranked 8th in the nation in 2023.

Total personal income increased by 3.8% at a seasonally adjusted, annualized rate in the third quarter of 2023, following a 2.1% decline in the second quarter. Wage and salary income, the largest component of personal income, grew 6.5% in the third quarter of 2023 while transfer receipts declined by 1.1%. This decline in transfer receipts in Maine, as in the U.S. overall, was due to decreases in Medicaid payments, state unemployment insurance compensation, and other personal current transfer receipts. Meanwhile, real GDP for Maine has increased for two consecutive quarters, growing to just over \$74 billion in the third 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 3.4% in December, up slightly from the 3.1% year-over-year increase in November.

The University of Michigan Consumer Sentiment Index was up 13% in January from the prior month and up 21% from the prior year, reaching its highest level since July 2021. The dramatic improvement in sentiment reflects positive perceptions of inflation trends and was seen across all age, income, education, geographic and political affiliation groups. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was up month-over-month in December (1.4%) and up 2.3% in the past 12 months. December was the 24th consecutive month below the 50-year average.

Gasoline cost \$3.22 on average in New England during the week of January 15, about \$0.18 less than a year ago. The statewide average cash price of No. 2 heating oil in Maine was \$3.832/gal in the third week (January 15) of the 2023-2024 heating oil season, 11% lower than the same week of last year, and about 5% lower than the first week of heating oil season.

Single-family existing-home sales fell by 6.1% year-over-year in December and prices continued to increase (6.3%). In the third quarter of 2023, Maine's year-over-year growth in the house price index was 11.1% (seasonally adjusted), second highest in the nation for year-over-year growth after Vermont.

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

Maine Department of Labor, Center for Workforce Research and Information

Long-term demographic trends constrain job growth potential. In 2023 births continued the six decade long downward trend to the lowest rate on record. The population increased from net in-migration, which occurred at the third highest rate in the last 35 years, behind the prior two years. In 2022, 63 percent of the population was age 16 to 64. This group, often described as *working-age*, decreased from 67 percent a decade earlier. Though the working-age share decreased, it remained higher than it was in the years prior to 1980. Then it was lower because it included many children; today it is lower because the proportion of children is smaller.

The jobs to working-age population ratio reached an all-time high in 2022. When 2023 population by age is available, it is likely to show that the rate reached another new high. There is little room for further increases in the years ahead, as the factors that drove the increase appear to be fully played-out.

The age structure of the population today is very different than anytime previously. There are more people 65 and over and 55 to 64 than in any of the younger ten-year age cohorts. The state has a much larger share of population over 55 and over and much smaller share under age 35 than the nation.

Since 1990 job gains have primarily been in healthcare and social assistance and in professional and business services, each of which added more than 40,000 jobs. Leisure and hospitality added another 19,000 jobs, with much smaller gains in other sectors. Manufacturing jobs decreased more than 40,000, though the sector has stabilized over the last decade. Most sectors maintained a similar share of jobs, except these four.

Maine's industrial structure is similar to the nation's, except that Maine has relatively more jobs in healthcare and social assistance, partly as a result of its older population, and in federal government, because the Portsmouth Naval Shipyard is so large, employing more than 6,000.

Looking to more recent trends, the workforce continued to return toward normalcy in 2023 after the sharp disruption of the pandemic nearly four years ago. Currently official preliminary estimates indicate that nonfarm jobs were flat in the nine months through July and then increased sharply through the end of the year. Annual revisions, to be published in March, are underway. They indicate there were nearly 2,300 more jobs than currently published. Nearly all the upward revision will be to the leisure and hospitality sector. Hospitality and government are the only sectors in Maine that have not recovered to 2019 levels on an annual average basis.

The number of employer establishments spiked higher over the last three years after many years tracking at a similar rate of change as jobs. This divergence is primarily the result of the remote work revolution. It is a combination of people moving to the state while continuing to work for an employer located elsewhere, and it is from residents of the state gaining jobs that allow them to work here for employers located elsewhere. In each of those cases the employer is required to open an unemployment insurance tax account in Maine on behalf of those individuals; their employment is counted here rather than where the employer is located.

Total wages paid in Maine exceeded \$9 billion in each of the last five quarters. The rate of change in the four quarters through September 2023 was similar to the pre-pandemic period. For the first nine months of the year, total wages increased 6.1 percent compared to the same months a year earlier. In the four quarters through September the average wage per job was \$59,800. The rise in average wages leveled off in the year after sharp gains through much of the previous three years.

Preliminary unemployment estimates decreased each of the first four months, stabilized at all-time lows through July, and then increased each of the last five months of 2023. The rate for December was the highest in 22 months. The undulating pattern preliminary rates followed throughout the year is common; it is not as indicative of underlying trends as it may appear. Revisions to these estimates usually provide a different characterization of the situation that unfolded through the course of the year; each additional year of revised data tends to further smooth the pattern over the previous several years. The State's labor force analysts expect that the very low rates from the summer will be revised higher and that the highest months of the previous three years will be revised somewhat lower.

Job openings rates, both in Maine and nationally, continued to decrease after peaking more than a year ago.

The presentation is available at maine.gov/labor/cwri/publications/pdf/CEFC_January2024.pdf.

Maine Revenue Services - Office of Tax Policy (OTP)

In its December 1, 2023, forecast, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates up by \$139.3 million for FY24 and by \$125.3 million for FY25, \$264.6 million for the 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% rate of growth 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 2026-2027 revenue estimates upward by \$256.5 million (2.4%) for the biennium, with a forecasted rate of year-over-year growth of 2.1% for FY26 and 3.7% for FY27. The increase in General Fund revenue during the forecast period is primarily from individual income and sales and use taxes.

December is the only month available to judge the accuracy of the new revenue forecast. December GF revenue exceeded budget by \$22.9 million (5.8%) and was over budget for the fiscal year by \$25.2 million (1.0%). Most of the monthly and fiscal year surplus is from individual and corporate income taxes. The individual income tax was over budget in December by \$10.7 million, with refunds contributing \$16.1 million of the monthly surplus. December refunds reflect prior year tax returns that were processed during December, and don't reflect current economic activity. Withholding is the best source of monthly revenue to gauge the strength of the underlying economy. In December, withholding receipts were under budget by \$11.2 million, indicating that the increase in wage and salary growth in the November CEFC forecast may have been too much. With a few days of processing to go in January, withholding receipts were once again well below budget. The downward adjustment to wage and salary growth by the CEFC in their February 1, 2024, economic forecast should better reflect the current state of wage and salary growth.

The final estimated payment for corporate calendar year filers was due December 15, 2023, and based on the performance of corporate income tax payments in December, estimates were well above the new revenue forecast. Corporate income tax receipts in December were \$14.5 million over budget, with payments exceeding budget by \$13.6 million. Through late January, corporate income tax payments are exceeding budget by \$17 million. The RFC will need to revisit their December revenue forecast for corporate income tax to determine if these two consecutive months of significant positive variances indicate ongoing strength in the tax, or if this is reflecting temporary factors that should be considered one-time.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics and S&P baseline scenarios released in January 2024. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 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. While Maine will continue to see higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future.
- 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 higher interest rates caused 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 continued through 2023, though there were improvements in some sectors. The Federal Reserve is expected to continue pursuing policies that will constrain inflation to their target levels. In addition, increasing interest rates in an environment of continuing federal budget deficits raises the risk of capital markets pushing interest rates higher still, increasing the risks of recession in the future.
- 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 have returned to the office or transitioned to hybrid work arrangements than during the peak of the pandemic.
- 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.
- Geopolitical tensions remain elevated and continue to pose a negative risk to the forecast.
- Climate shocks are beginning to impact some sectors of Maine's economy, particularly hospitality; while future impacts are unknown, the Commission recognizes the potential for resulting economic changes and intends to track and consider possible implications in future forecasts.

Consensus Forecast

The Commission revised its forecast for wage and salary employment up for 2023 from 1.2% to 1.8% to reflect the most recent data available from the Maine Department of Labor including anticipated upward revisions to the annual data. The forecast for 2024 to 2027 was left unchanged and the Commission anticipated 0.1% growth in each of 2028 and 2029. The Commission anticipates slower growth in the outer years as a large share of the population reaches traditional retirement age and in-migration slows from the pandemic-era highs in 2021 and 2022. The forecast anticipates that employment will continue to grow through 2029 to 661,300 with slower increases as 2029 approaches.

The Commission revised its forecast for total personal income growth in 2023 down from 5.9% to 5.1%. The forecasts for total personal income growth were revised up in 2024 from 4.5% to 4.7%, up in 2025 from 4.3% to 4.4%, down in 2026 from 4.4% to 4.3%, and down in 2027 from 4.4% to 4.2%. The Commission developed an initial forecast for 2028 and 2029 personal income growth of 4.2% for both years. For all components of personal income, the 2023 forecast was revised to align with the growth rates for the first three quarters of the calendar year (the most recent data from the U.S. Bureau of Economic Analysis). Additional information from the Maine Department of Labor and Maine Revenue Services was considered in the forecast for wage and salary income. Details by category of personal income are provided below.

The forecast for wage and salary income growth was revised down for 2023 from 7.5% to 6.1%. No revisions were made for 2024 or 2025, but the Commission made downward adjustments for 2026 and 2027 from 4.3% to 4.0% for both years. The Commission established a forecast of 4.0% for 2028 and 2029. Therefore, the current forecast projects a consistent 4.0% annual growth for 2025-2029.

The forecast for growth in supplements to wages and salaries was revised up from 3.5% to 4.4% in 2023. Years 2024 to 2027 were left unchanged, and the Commission established a forecast of 3.0% growth for both 2028 and 2029.

The forecast for nonfarm proprietor's income growth was revised up from 3.8% to 6.6% for 2023. The Commission also revised its forecast upward for 2024 from 3.0% to 5.0% and downward for 2027 from 4.0% to 3.0%. With these revisions and the establishment of a forecast of 3.0% for both 2028 and 2029, the current forecast anticipates constant growth of 3.0% from 2025-2029.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2023 and 2024, from 6.5% and 5.0% to 7.0% and 5.5%, respectively. The Commission left the rest of the forecast years unchanged and anticipated that the 4.5% growth forecast for 2025 to 2027 would continue through 2028 and 2029.

The forecast for personal current transfer receipts growth was revised downward for 2023 from 3.5% to 2.0%. Forecast years 2024 to 2027 were left unchanged and the Commission established a forecast of 5.0% growth in transfer receipts for both 2028 and 2029.

Annual inflation according to the Consumer Price Index (CPI) was 4.1% in 2023, equivalent to the Commission's forecast for that year. The Commission made downward revisions for all remaining forecast years, going from 3.2% to 2.7% in 2024, from 2.7% to 2.4% in 2025, from 2.7% to 2.3% in 2026, and from 2.7% to 2.2% in 2027. The Commission established a forecast of 2.2% growth for 2028 and 2029. Alignment with forecasts from S&P and Moody's Analytics and unknowns around the impacts of Federal Reserve interest rate policy were factors influencing these revisions.

The forecast for corporate profits was unchanged for 2023 but revised upward in 2024 from -1.0% to +1.0% to better align with the S&P and Moody's Analytics forecasts and reflecting the Commission's view that corporate profits are unlikely to decline in 2024. No changes were made for 2025, but the Commission made downward revisions for 2026 and 2027 from 3.0% growth to 2.0% growth for both years. The Commission established a forecast of 2.0% growth for 2028 and 2029.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

February 2024 Forecast

	History	Forecast						
	2022	2023	2024	2025	2026	2027	2028	2029
CPI-U* (Annual Change)	8.0%	4.1%	2.7%	2.4%	2.3%	2.2%	2.2%	2.2%
CPI for Energy Prices** (Annual Change)	24.9%	-4.9%	-0.1%	-0.3%	-0.1%	0.9%	1.1%	1.1%
Avg. Price of New Vehicles** (Annual Change)	9.5%	0.7%	-4.7%	-5.2%	2.1%	4.9%	5.9%	5.3%
New Vehicle Registrations** (Annual Change)	-11.8%	6.6%	1.9%	3.4%	-0.5%	-2.0%	-1.7%	-0.8%
Personal Savings Rate**	3.3%	4.5%	4.9%	6.5%	7.4%	7.9%	8.3%	8.6%
Maine Unemployment Rate**	2.9%	2.7%	3.1%	3.2%	3.3%	3.4%	3.4%	3.4%
3-Month Treasury Bill Rate**	2.0%	5.1%	4.8%	3.3%	2.4%	2.4%	2.4%	2.4%
10-Year Treasury Note Yield**	3.0%	4.0%	3.6%	3.2%	3.2%	3.2%	3.2%	3.2%
Before-Tax Corporate Profits* (Annual Change)	8.4%	2.0%	1.0%	0.5%	2.0%	2.0%	2.0%	2.0%
Maine Wage & Salary Employment* (thousands)	638.7	650.2	655.4	658.0	659.3	660.0	660.7	661.3
Natural Resources	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.3
Construction	32.6	33.1	32.7	33.1	33.6	33.1	32.7	32.2
Manufacturing	54.5	54.6	54.7	54.8	54.9	55.5	55.0	54.5
Trade/Trans./Public Utils.	119.2	121.1	121.1	121.6	122.1	121.7	121.7	121.7
Information	7.9	7.8	7.8	7.8	7.8	7.8	7.8	7.7
Financial Activities	33.9	33.9	33.8	33.9	34.0	34.0	34.0	33.9
Prof. & Business Services	75.8	77.4	77.9	78.3	79.0	80.2	81.5	82.7
Education & Health Services	125.8	129.6	132.1	132.8	132.9	132.7	132.7	132.9
Leisure & Hospitality Services	65.5	67.9	69.3	69.4	69.2	69.0	69.3	69.7
Other Services	22.0	22.1	22.2	22.4	22.3	22.3	22.3	22.3
Government	99.4	100.5	101.6	101.7	101.4	101.4	101.4	101.4
Maine Wage & Salary Employment* (Annual Change)	2.4%	1.8%	0.8%	0.4%	0.2%	0.1%	0.1%	0.1%
Natural Resources	0.0%	2.2%	1.2%	2.9%	0.8%	1.1%	0.2%	-0.1%
Construction	1.9%	1.4%	-1.1%	1.1%	1.5%	-1.3%	-1.3%	-1.5%
Manufacturing	1.1%	0.1%	0.3%	0.2%	0.2%	1.0%	-0.9%	-0.9%
Trade/Trans./Public Utils.	1.9%	1.6%	0.0%	0.4%	0.4%	-0.3%	0.0%	0.0%
Information	5.3%	-0.9%	-0.9%	0.7%	0.0%	-0.2%	-0.5%	-0.3%
Financial Activities	2.4%	0.1%	-0.3%	0.3%	0.1%	0.1%	-0.1%	-0.1%
Prof. & Business Services	4.6%	2.1%	0.6%	0.6%	0.8%	1.6%	1.6%	1.5%
Education & Health Services	0.1%	3.1%	1.9%	0.5%	0.1%	-0.1%	0.0%	0.1%
Leisure & Hospitality Services	7.6%	3.7%	2.0%	0.2%	-0.3%	-0.3%	0.5%	0.6%
Other Services	4.3%	0.5%	0.5%	0.7%	-0.3%	-0.1%	0.0%	-0.2%
Government	1.7%	1.1%	1.1%	0.0%	-0.3%	0.0%	0.0%	0.0%
	2022	2023	2024	2025	2026	2027	2028	2029
Personal Income* (\$ million)	83,951	88,272	92,392	96,419	100,531	104,778	109,156	113,727
Wages & Salaries*	38,678	41,037	43,089	44,813	46,605	48,470	50,408	52,425
Supplements to Wages & Salaries*	8,757	9,142	9,462	9,793	10,136	10,440	10,754	11,076
Nonfarm Proprietors' Income*	6,529	6,960	7,308	7,527	7,753	7,986	8,225	8,472
Farm Proprietors' Income**	175	124	112	182	208	183	173	183
Dividends, Interest, & Rent*	15,150	16,211	17,102	17,872	18,676	19,517	20,395	21,313
Dividends	5,531	5,641	5,883	6,166	6,611	6,870	7,077	7,374
Interest	5,748	6,063	6,653	6,934	7,078	7,436	7,872	8,248
Rent	3,872	4,507	4,566	4,772	4,987	5,211	5,445	5,690
Personal Current Transfer Receipts*	19,932	20,330	21,042	22,094	23,199	24,358	25,576	26,855
Less: Contributions for Social Ins.**	6,590	6,920	7,172	7,360	7,597	7,787	8,053	8,339
Adjustment for Residence**	1,320	1,389	1,448	1,498	1,550	1,612	1,677	1,743
Personal Income* (Annual Change)	3.9%	5.1%	4.7%	4.4%	4.3%	4.2%	4.2%	4.2%
Wages & Salaries*	8.5%	6.1%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	4.4%	4.4%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
Nonfarm Proprietors' Income*	6.2%	6.6%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Farm Proprietors' Income**	21.7%	-29.2%	-9.3%	62.6%	13.9%	-11.8%	-5.4%	5.6%
Dividends, Interest, & Rent*	7.6%	7.0%	5.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Dividends	7.8%	2.0%	4.3%	4.8%	7.2%	3.9%	3.0%	4.2%
Interest	7.9%	5.5%	9.7%	4.2%	2.1%	5.1%	5.9%	4.8%
Rent	7.0%	16.4%	1.3%	4.5%	4.5%	4.5%	4.5%	4.5%
Personal Current Transfer Receipts*	-5.8%	2.0%	3.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Less: Contributions for Social Ins.**	8.6%	5.0%	3.6%	2.6%	3.2%	2.5%	3.4%	3.6%
Adjustment for Residence**	-1.1%	5.2%	4.3%	3.4%	3.5%	4.0%	4.1%	3.9%

*CEFC Forecast

**From S&P and Moody's Analytics baselines (January 2024)

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

Alternative Economic Scenarios

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

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

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

Methodology

The CEFC decided to designate two alternative scenarios provided by Moody's Analytics in January 2024 as the moderate and severe recession scenarios. While the scenarios describe a particular set of specific events surrounding the recessions, the Commission does not ascribe to these specifics, instead selecting the scenarios based on the numbers and growth rates that seemed reasonable as generic "moderate" and "severe" recessions. These scenarios should provide plausible economic inputs for an analysis of the General Fund revenue projections in both a moderate and severe downturn. In both cases, the scenarios will be adjusted to reflect the CEFC's February 2024 baseline forecast and will show hypothetical downturns beginning in the first quarter of calendar year 2025. Brief descriptions of the economic conditions follow; forecast details will be included in the October 1, 2024, stress test report.

Moderate recession scenario

The moderate recession scenario selected by the CEFC is the "S7" Next-Cycle Recession scenario. This scenario has the recession lasting three quarters and is brought on in part by the combination of tight monetary policy and reduced consumer confidence. The cumulative decline in national real gross domestic product is 1.2 percent. Employment in Maine declines around 0.9 percent. Total personal income continues to grow, but at a slower rate.

Severe recession scenario

The severe recession scenario selected by the CEFC is the "S4" downside scenario. This scenario has the recession lasting five quarters with a much slower recovery. National real gross domestic product declines around 1.6 percent in the first year of the recession and 1.6 percent in the second year. Employment in Maine declines around 2.3 percent in the first year and 0.5 percent in the second year. Total personal income continues to grow, but at a much slower rate.



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>
Sales & Use Tax	\$4,736,708	\$5,752,957	\$10,489,665	\$1,910,135	(\$8,714,258)	(\$6,804,123)
Service Provider Tax	\$123,989	(\$618,412)	(\$494,423)	(\$688,853)	(\$742,857)	(\$1,431,710)
Individual Income Tax	\$6,000,000	(\$22,000,000)	(\$16,000,000)	(\$27,000,000)	(\$33,000,000)	(\$60,000,000)
Corporate Income Tax	\$60,377,000	\$40,358,731	\$100,735,731	\$24,754,003	\$24,184,167	\$48,938,170
Estate Tax	-\$4,760,000	-\$2,610,000	(\$7,370,000)	-\$2,480,000	-\$2,455,000	(\$4,935,000)
Real Estate Transfer Tax, General Fund	(\$227,000)	(\$682,501)	(\$909,501)	\$351,505	\$1,005,610	\$1,357,115
Cigarette, Tobacco, and Cannabis Excise Taxes	(\$568,655)	\$2,349,203	\$1,780,548	\$1,874,558	\$1,261,805	\$3,136,362
BETR Transfer	(\$1,000,000)	(\$1,000,000)	(\$2,000,000)	(\$1,000,000)	(\$1,000,000)	(\$2,000,000)
BETE Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0
Gas Tax	\$1,799,709	\$1,340,281	\$3,139,990	\$1,921,370	\$2,581,600	\$4,502,970
Special Fuel Tax	(\$1,319,949)	(\$226,212)	(\$1,546,161)	(\$137,809)	(\$166,849)	(\$304,658)
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Total Adjustments to Current Forecast	\$65,161,802	\$22,664,047	\$87,825,850	(\$495,091)	(\$17,045,782)	(\$17,540,873)
General Fund	\$62,461,070	\$20,100,497	\$82,561,567	(\$3,354,638)	(\$19,682,571)	(\$23,037,209)
Local Government Fund	\$2,191,496	\$1,135,789	\$3,327,285	\$128,872	(\$805,892)	(\$677,020)
Tourism Marketing Promotion Fund	\$0	\$76,996	\$76,996	\$31,402	(\$183,879)	(\$152,478)
Adult Use Cannabis Public Health and Safety Fund	\$29,476	\$36,000	\$65,476	\$80,006	\$123,662	\$203,669
Multimodal Transportation Fund	\$0	\$165,611	\$165,611	\$254,093	\$198,694	\$452,787
Highway Fund (Motor Fuel Taxes)	\$1,482,168	\$2,429,400	\$3,911,568	\$3,326,749	\$4,194,230	\$7,520,979
Highway Fund Auto Sales Tax transfer	\$0	\$35,086	\$35,086	\$581,613	\$889,453	\$1,471,066
Transcap Trust Fund	(\$1,047,413)	(\$1,348,848)	(\$2,396,261)	(\$1,591,237)	(\$1,844,039)	(\$3,435,276)
Other Gas Tax Distributions	\$45,005	\$33,517	\$78,522	\$48,049	\$64,560	\$112,609

Department of Administrative and Financial Services

Revised
27-Feb-24

MRS Office of Tax Policy
Presentation for March 1, 2024
Revenue Forecast

STATE OF MAINE

Undedicated Revenues - General Fund
For the Seventh Month Ended January 31, 2024
For the Fiscal Year Ending June 30, 2024
Comparison to Budget

Exhibit I

	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	\$ 196,040,115	\$ 195,895,686	\$ 144,429	0.1 %	\$ 1,426,618,835	\$ 1,423,884,393	\$ 2,734,442	0.2 %	\$ 2,247,423,850
Service Provider Tax	3,909,677	4,166,707	(257,030)	(6.2)%	29,809,066	29,860,757	(51,691)	(0.2)%	49,110,044
Individual Income Tax	298,391,845	308,760,584	(10,368,739)	(3.4)%	1,512,058,270	1,503,536,284	8,521,986	0.6 %	2,436,073,715
Corporate Income Tax	33,234,795	15,500,000	17,734,795	114.4 %	240,611,886	208,359,430	32,252,456	15.5 %	375,623,000
Cigarette and Tobacco Tax	12,220,535	11,149,051	1,071,484	9.6 %	90,939,655	92,565,605	(1,625,950)	(1.8)%	153,246,622
Insurance Companies Tax	746,664	38,693	707,971	1,829.7 %	17,490,029	17,528,328	(38,299)	(0.2)%	118,460,000
Estate Tax	2,267,200	2,750,000	(482,800)	(17.6)%	7,380,981	9,044,171	(1,663,190)	(18.4)%	23,600,000
Fines, Forfeits & Penalties	821,453	1,121,537	(300,084)	(26.8)%	5,128,214	8,822,105	(3,693,891)	(41.9)%	14,954,289
Income from Investments	5,429,760	4,395,107	1,034,653	23.5 %	29,865,888	30,652,089	(786,201)	(2.6)%	49,891,282
Transfer from Lottery Commission	13,908,262	5,132,075	8,776,187	171.0 %	53,752,239	39,773,585	13,978,654	35.1 %	68,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(3,822,788)	(10,357,254)	6,534,466	63.1 %	(74,277,765)	(75,334,915)	1,057,150	1.4 %	(81,730,000)
Transfer to Municipal Revenue Sharing	(23,187,193)	(21,958,862)	(1,228,331)	(5.6)%	(159,785,497)	(158,557,165)	(1,228,332)	(0.8)%	(261,429,468)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(107,534,228)	(101,861,600)	(5,672,628)	(5.6)%	(101,861,600)
Other Taxes and Fees	13,022,154	10,105,006	2,917,148	28.9 %	86,929,653	85,370,206	1,559,447	1.8 %	144,682,337
Other Revenues	(467,168)	3,060,499	(3,527,667)	(115.3)%	(22,406,306)	(25,056,665)	2,650,359	10.6 %	6,371,127
Total Collected	\$ 552,515,308	\$ 529,758,829	\$ 22,756,479	4.3 %	\$ 3,143,580,920	\$ 3,095,586,608	\$ 47,994,312	1.6 %	\$ 5,249,415,198

NOTES:

- (1) Included in the above is \$23,187,193 for the month and \$159,785,497 year to date, that was set aside for Revenue Sharing with cities and towns.
- (2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in December 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 Seventh Month Ended January 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2024 and 2023

Comparison to To Prior Year

Exhibit II

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Sales and Use Tax	\$ 196,040,115	\$ 191,322,494	\$ 4,717,621	2.5 %	\$ 1,426,618,835	\$ 1,376,538,890	\$ 50,079,945	3.6 %
Service Provider Tax	3,909,677	4,315,644	(405,967)	(9.4)%	29,809,066	30,418,859	(609,793)	(2.0)%
Individual Income Tax	298,391,845	297,548,640	843,204	0.3 %	1,512,058,270	1,480,241,071	31,817,199	2.1 %
Corporate Income Tax	33,234,795	12,650,775	20,584,021	162.7 %	240,611,886	206,108,204	34,503,682	16.7 %
Cigarette and Tobacco Tax	12,220,535	10,548,148	1,672,386	15.9 %	90,939,655	90,553,231	386,424	0.4 %
Insurance Companies Tax	746,664	180,468	566,196	313.7 %	17,490,029	17,209,851	280,178	1.6 %
Estate Tax	2,267,200	361,052	1,906,148	527.9 %	7,380,981	22,332,899	(14,951,918)	(67.0)%
Fines, Forfeits & Penalties	821,453	848,985	(27,533)	(3.2)%	5,128,214	5,252,783	(124,569)	(2.4)%
Income from Investments	5,429,760	3,105,934	2,323,825	74.8 %	29,865,888	12,991,543	16,874,346	129.9 %
Transfer from Lottery Commission	13,908,262	6,858,726	7,049,536	102.8 %	53,752,239	45,231,331	8,520,907	18.8 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	-	7,000,000	- %
Transfers for Tax Relief Programs	(3,822,788)	(10,219,681)	6,396,893	62.6 %	(74,277,765)	(74,759,374)	481,610	0.6 %
Transfer to Municipal Revenue Sharing	(23,187,193)	(21,978,006)	(1,209,187)	(5.5)%	(159,785,497)	(157,218,826)	(2,566,671)	(1.6)%
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(107,534,228)	-	(107,534,228)	- %
Other Taxes and Fees	13,022,154	8,434,759	4,587,395	54.4 %	86,929,653	79,553,654	7,375,999	9.3 %
Other Revenues	(467,168)	3,036,370	(3,503,538)	(115.4)%	(22,406,306)	(14,863,885)	(7,542,421)	(50.7)%
Total Collected	\$ 552,515,308	\$ 507,014,308	\$ 45,501,001	9.0 %	\$ 3,143,580,920	\$ 3,119,590,230	\$ 23,990,689	0.8 %

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 Seventh Month Ended January 31, 2024
For the Fiscal Year Ending June 30, 2024
Comparison to Budget

Exhibit V

	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	\$ 17,771,503	\$ 17,480,147	\$ 291,356	1.7 %	\$ 131,772,750	\$ 130,681,582	\$ 1,091,168	0.8 %	\$ 213,493,961
Motor Vehicle Registration & Fees	10,385,923	7,164,603	3,221,320	45.0 %	58,476,676	52,752,379	5,724,297	10.9 %	94,737,106
Motor Vehicle Inspection Fees	410,782	4,248	406,534	9,570.0 %	1,155,255	1,395,538	(240,283)	(17.2)%	1,413,369
Miscellaneous Taxes & Fees	94,235	392,879	(298,645)	(76.0)%	618,324	1,100,642	(482,318)	(43.8)%	3,269,305
Fines, Forfeits & Penalties	61,216	63,901	(2,685)	(4.2)%	548,181	399,651	148,530	37.2 %	1,711,479
Earnings on Investments	198,477	(108)	198,585	183,875.0 %	1,071,487	880,119	191,368	21.7 %	879,575
Auto Sales Tax Transfer	-	-	-	- %	107,534,228	107,534,228	0	- %	107,534,228
Transfer from Liquor Commission	8,037,671	5,000,000	3,037,671	60.8 %	36,658,244	28,000,000	8,658,244	30.9 %	53,000,000
All Other	1,489,499	505,644	983,855	194.6 %	10,949,728	10,868,584	81,144	0.7 %	13,756,495
Total Collected	\$ 38,449,306	\$ 30,611,314	\$ 7,837,992	25.6 %	\$ 348,784,874	\$ 333,612,723	\$ 15,172,151	4.5 %	\$ 489,795,518

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 Seventh Month Ended January 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2024 and 2023

Comparison to To Prior Year

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 17,771,503	\$ 18,253,925	\$ (482,422)	(2.6)%	\$ 131,772,750	\$ 136,218,830	\$ (4,446,080)	(3.3)%
Motor Vehicle Registration & Fees	10,385,923	8,022,473	2,363,451	29.5 %	58,476,676	59,093,157	(616,481)	(1.0)%
Motor Vehicle Inspection Fees	410,782	350,169	60,613	17.3 %	1,155,255	1,180,156	(24,900)	(2.1)%
Miscellaneous Taxes & Fees	94,235	100,750	(6,515)	(6.5)%	618,324	919,492	(301,168)	(32.8)%
Fines, Forfeits & Penalties	61,216	65,135	(3,919)	(6.0)%	548,181	680,196	(132,015)	(19.4)%
Earnings on Investments	198,477	38,609	159,868	414.1 %	1,071,487	240,075	831,412	346.3 %
Auto Sales Tax Transfer	-	-	-	- %	107,534,228	-	107,534,228	- %
Transfer from Liquor Commission	8,037,671	-	8,037,671	- %	36,658,244	-	36,658,244	- %
All Other	1,489,499	539,203	950,296	176.2 %	10,949,728	10,436,165	513,563	4.9 %
Total Collected	\$ 38,449,306	\$ 27,370,263	\$ 11,079,043	40.5 %	\$ 348,784,874	\$ 208,768,071	\$ 140,016,804	67.1 %

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

Sales & Use Tax and Service Provider Tax

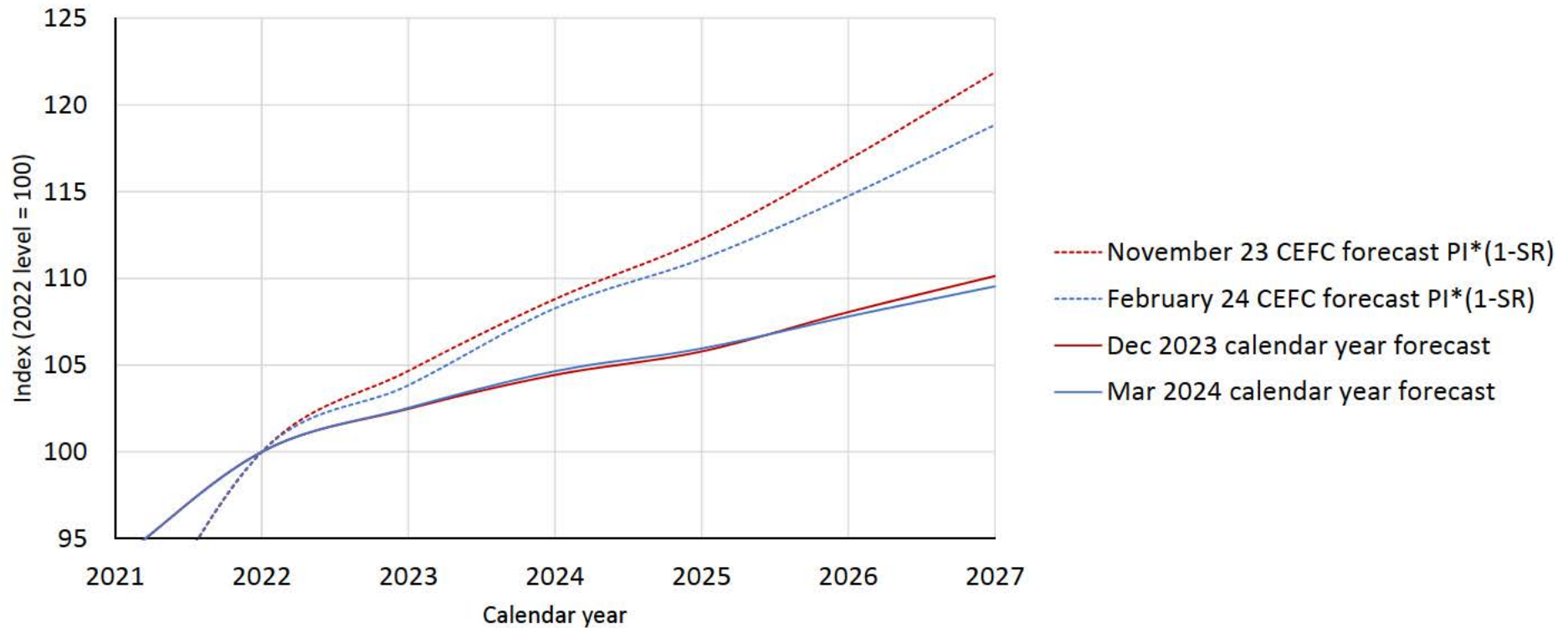
Sales and Use Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$1,503.77	5.64%		
2020	\$1,555.71	3.45%		
2021	\$1,804.23	15.83%		
2022	\$2,078.88	14.72%		
2023	\$2,173.05	4.22%		
2024	\$2,252.16	3.46%	\$4.74	0.21%
2025	\$2,286.01	1.30%	\$5.75	0.25%
2026	\$2,322.43	1.41%	\$1.91	0.08%
2027	\$2,364.50	1.65%	-\$8.71	-0.37%

- FY24 revenue through January is \$2.73 million over budget
- Slower growth brings the forecast down in FY27

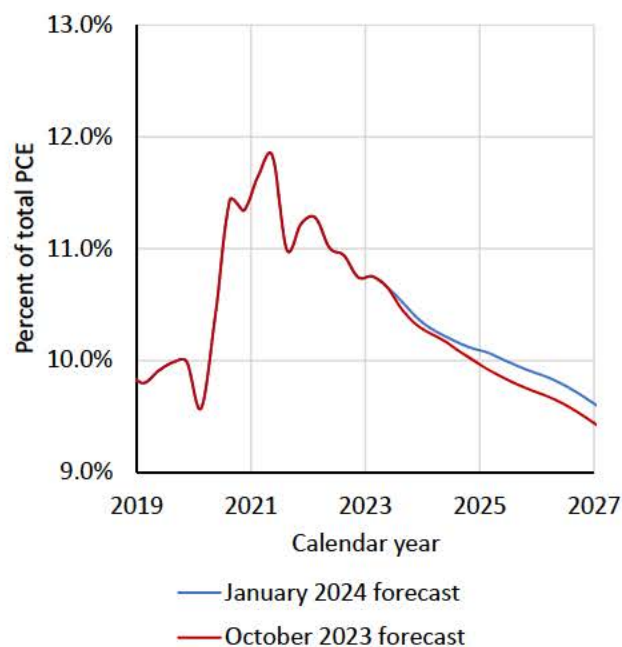
Forecast of Revenue and Consumer Spending



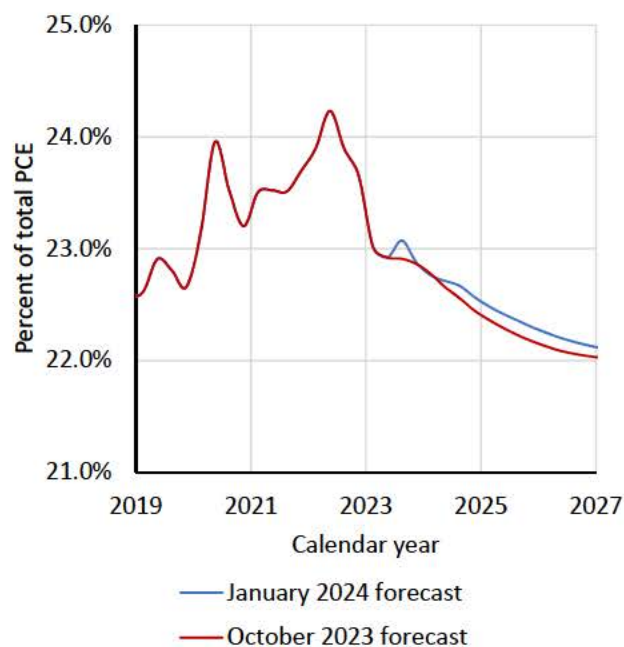
- New CEFC forecast features lower consumer spending throughout the forecast period
- Proposed revenue forecast features minor adjustments

PCE Composition – Moody's baseline forecast

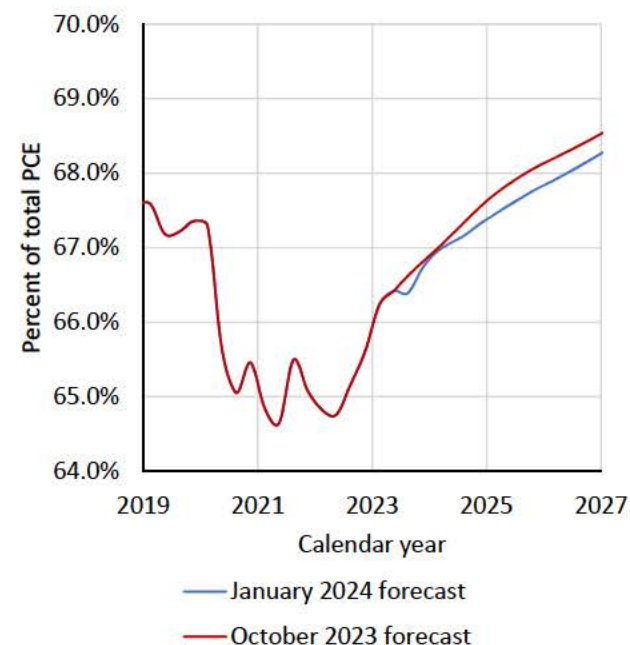
Durable goods



Nondurable goods

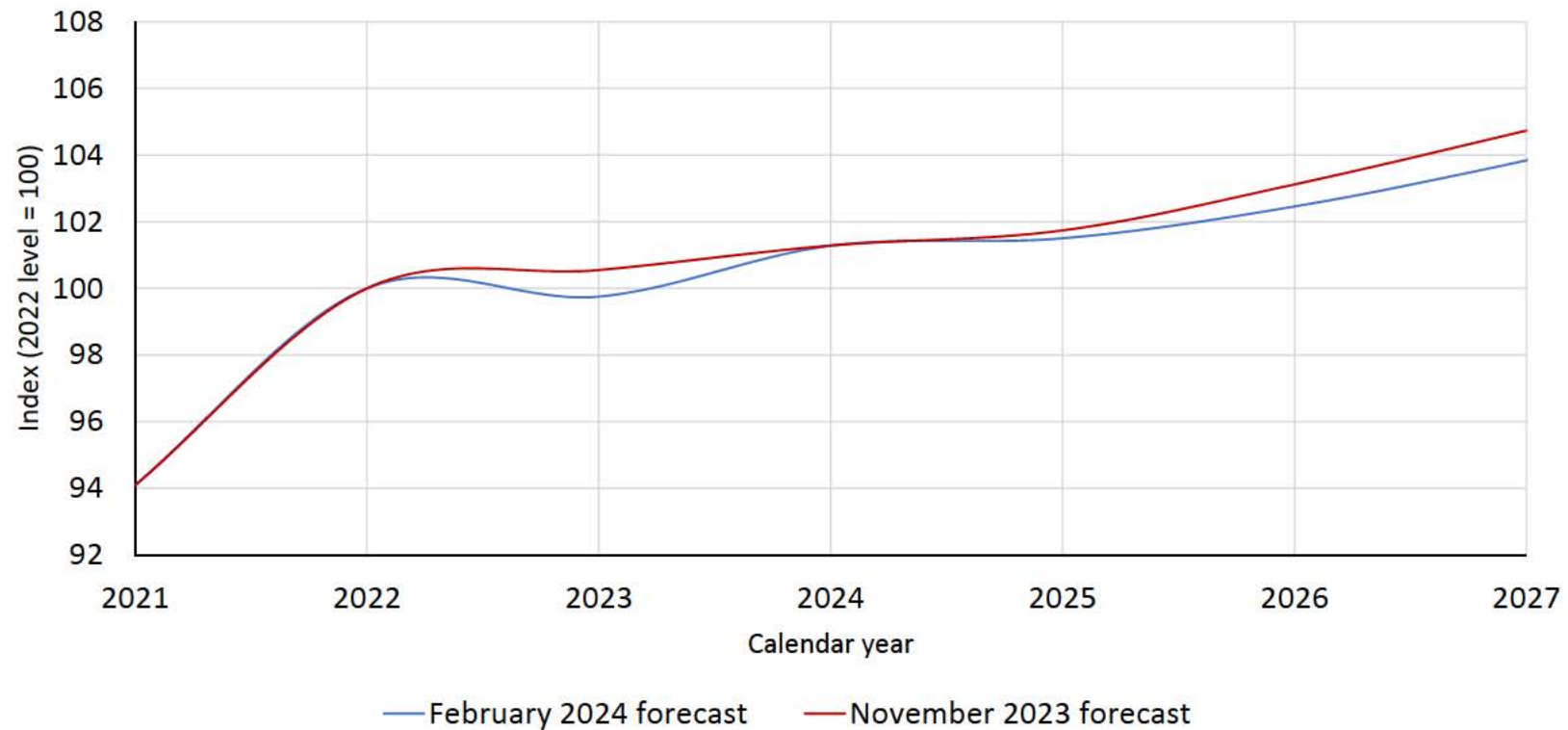


Services



- New PCE forecast features a slower shift from goods to services

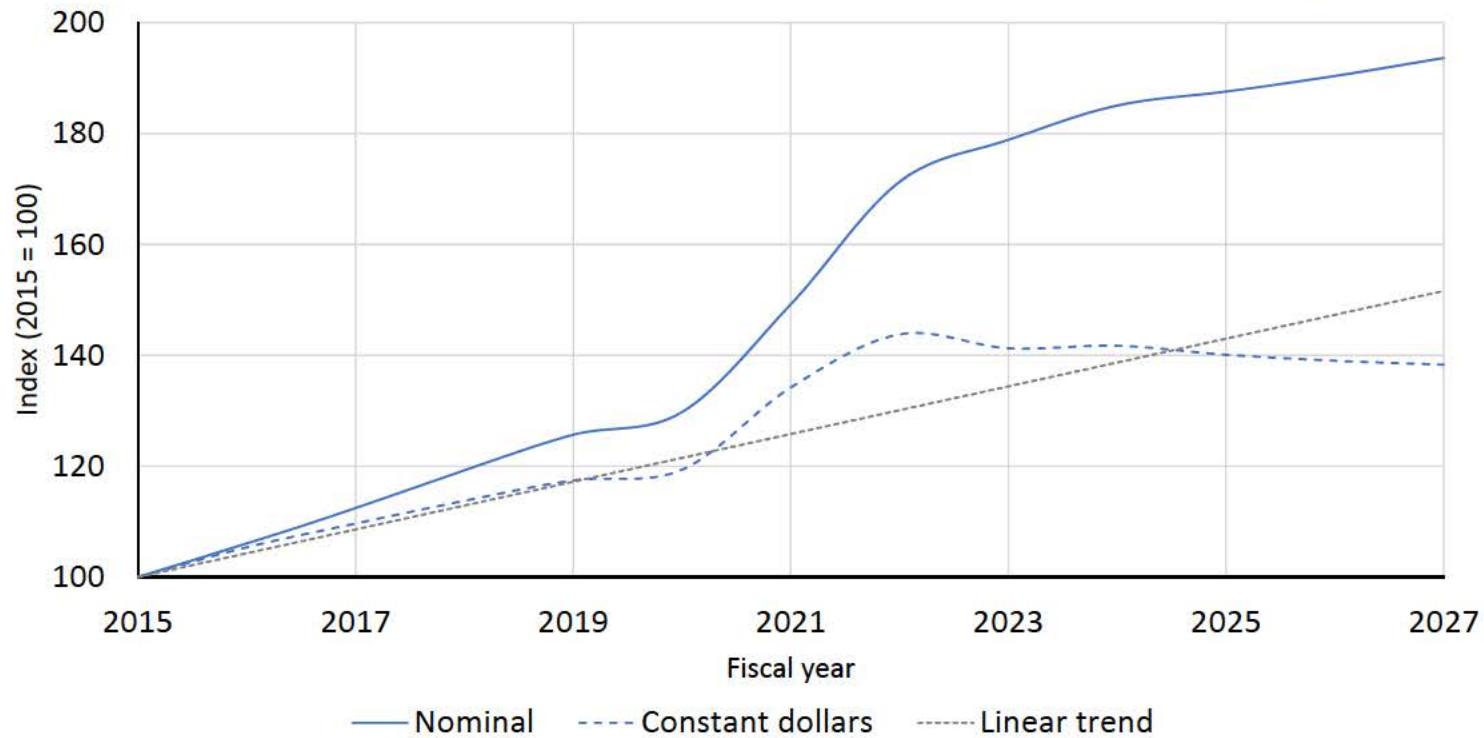
CEFC forecast—Real consumer spending by calendar year



- Lower inflation in the new CEFC forecast implies smaller reductions in real spending

Sales & Use Tax Revenue by Fiscal Year

Actual and March 2024 forecast recommendations (2015=100)



- 7.5% average annual growth in nominal revenue FY 2015 – 2023
- 2.0% average annual growth in nominal revenue FY 2023 – 2027
- 2.6% average inflation in FY2023 – 2027

Source of Forecast Adjustments

\$million
(%)

Fiscal Year	2024	2025	2026	2027
Non-auto 5.5% Sales	\$5.0 (0.4%)	\$3.7 (0.3%)	\$2.7 (0.2%)	-\$2.0 (-0.1%)
Auto Sales 5.5%	-\$0.2 (-0.1%)	\$1.9 (0.6%)	\$3.1 (1.0%)	\$1.6 (0.5%)
Lodging 9%	\$0.7 (0.4%)	\$0.3 (0.2%)	-\$1.4 (-0.8%)	-\$3.3 (-1.8%)
Prepared Food 8%	\$0.5 (0.1%)	\$1.5 (0.4%)	-\$0.8 (-0.2%)	-\$3.4 (-0.9%)
Short-term auto rental 10%	\$0.2 (1.0%)	\$0.3 (1.9%)	\$0.3 (1.6%)	\$0.2 (1.2%)
Adult use cannabis 10%	-\$1.4 (-5.8%)	-\$2.1 (-7.0%)	-\$2.0 (-5.9%)	-\$1.8 (-4.6%)

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%		
2024	\$49.23	-4.33%	\$0.12	0.25%
2025	\$46.77	-5.01%	-\$0.62	-1.31%
2026	\$45.26	-3.23%	-\$0.69	-1.50%
2027	\$43.77	-3.27%	-\$0.74	-1.67%

- FY24 revenue through January is \$51,691 under budget, but is projected to finish the fiscal year up \$123,989
- After FY25, faster projected decline leads to negative revisions

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	\$2,442.1	-1.3%	\$6.0	0.2%
2025	\$2,454.5	0.5%	-\$22.0	-0.9%
2026	\$2,547.5	3.8%	-\$27.0	-1.0%
2027	\$2,687.3	5.5%	-\$33.0	-1.2%

Individual Income Tax Main Points

- Income forecast revisions go in both directions and largely offset, especially in the short run
 - The wage forecast reduces the annual tax liability forecast by approximately \$35 million in tax years 2023 – 2025 and slightly more afterwards.
 - The upward revision to the capital gains forecast is largest in tax year 2023 and declines over the forecast period.
 - The upward revision to the business income forecast, motivated by the CEFC nonfarm proprietors' income forecast, applies throughout the forecast period.
 - 2023 tax liability growth is about 1 percentage point higher than the prior forecast; tax year 2024 – 2026 growth rates are within .5 percentage points of prior forecast.
- However, we likely overestimated tax year 2022 tax liability in the last forecast and this correction results in downward revisions to future tax years.
- Withholding growth has been slowing: December – January is up 3% YoY and February YoY growth will likely be lower.

New CEFC Forecast: Key Changes

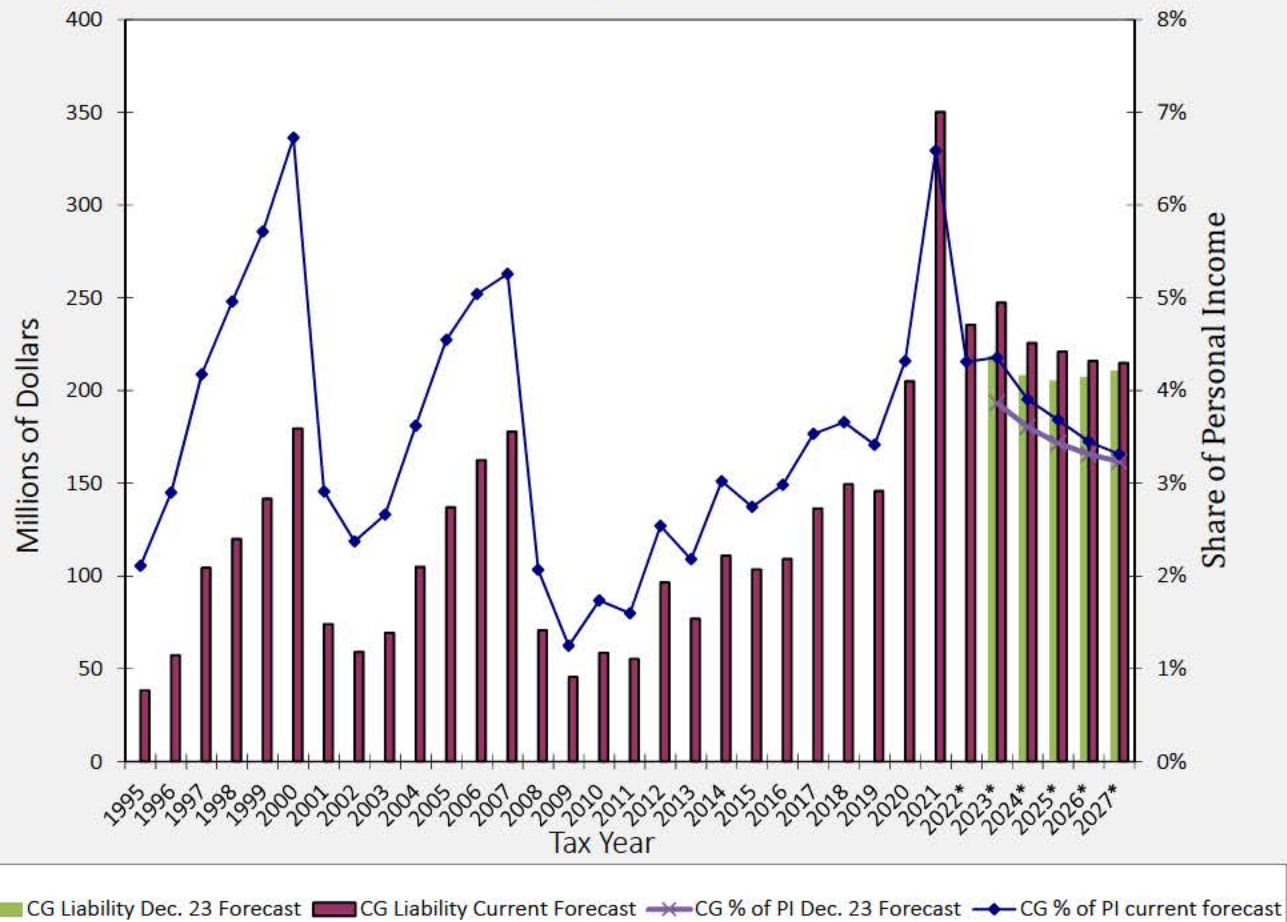
Calendar Years	2023	2024	2025	2026	2027
Wage and Salary Income (Annual Percentage Change)					
CEFC Forecast 11/2023	7.5%	5.0%	4.0%	4.3%	4.3%
CEFC Forecast 2/2024	6.1%	5.0%	4.0%	4.0%	4.0%
Nonfarm Proprietors' Income (Annual Percentage Change)					
CEFC Forecast 11/2023	3.8%	3.0%	3.0%	3.0%	4.0%
CEFC Forecast 2/2024	6.6%	5.0%	3.0%	3.0%	3.0%
CPI (Annual Percentage Change)					
CEFC Forecast 11/2023	4.1%	3.2%	2.7%	2.7%	2.7%
CEFC Forecast 2/2024	4.1%	2.7%	2.4%	2.3%	2.2%

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

Tax Year	Wages	Capital Gains	Business Income	COLAs
2023	-\$32.7	\$28.7	\$10.6	\$0.0
2024	-\$34.5	\$17.4	\$19.3	\$0.0
2025	-\$35.9	\$15.5	\$20.1	\$2.2
2026	-\$46.0	\$8.6	\$21.0	\$8.9
2027	-\$56.7	\$4.3	\$17.4	\$10.7

- 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.

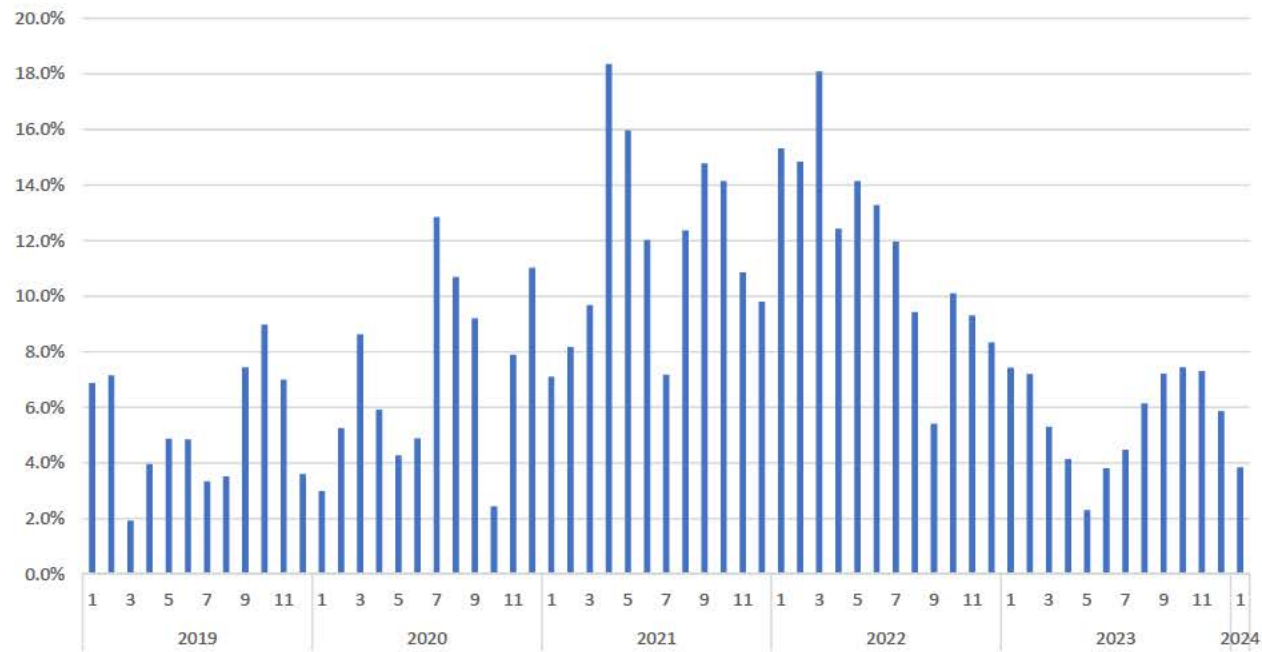
Taxes from Net Capital Gains and Net Capital Gains as Percent of Personal Income



Individual Income Revenue

- 2022 individual income tax liability is lower than expected based on revenues.
- In the prior forecast we assumed that excess missing/suspended explained a large share of the discrepancy between revenue and 2022 tax liability and that an unusually large amount of 2022 tax liability would post after November 2023.
- In the current forecast we recognize the importance of two additional factors:
 - Timing of some tax year 2021 and 2022 revenues differed from prior years
 - Some TY 2021 payments with extension received in calendar year 2022 were classified as estimated payments.
- 2022 tax liability in the new forecast is approximately 2% lower than the prior forecast.

Withholding YoY Growth, Three-Month Moving Average

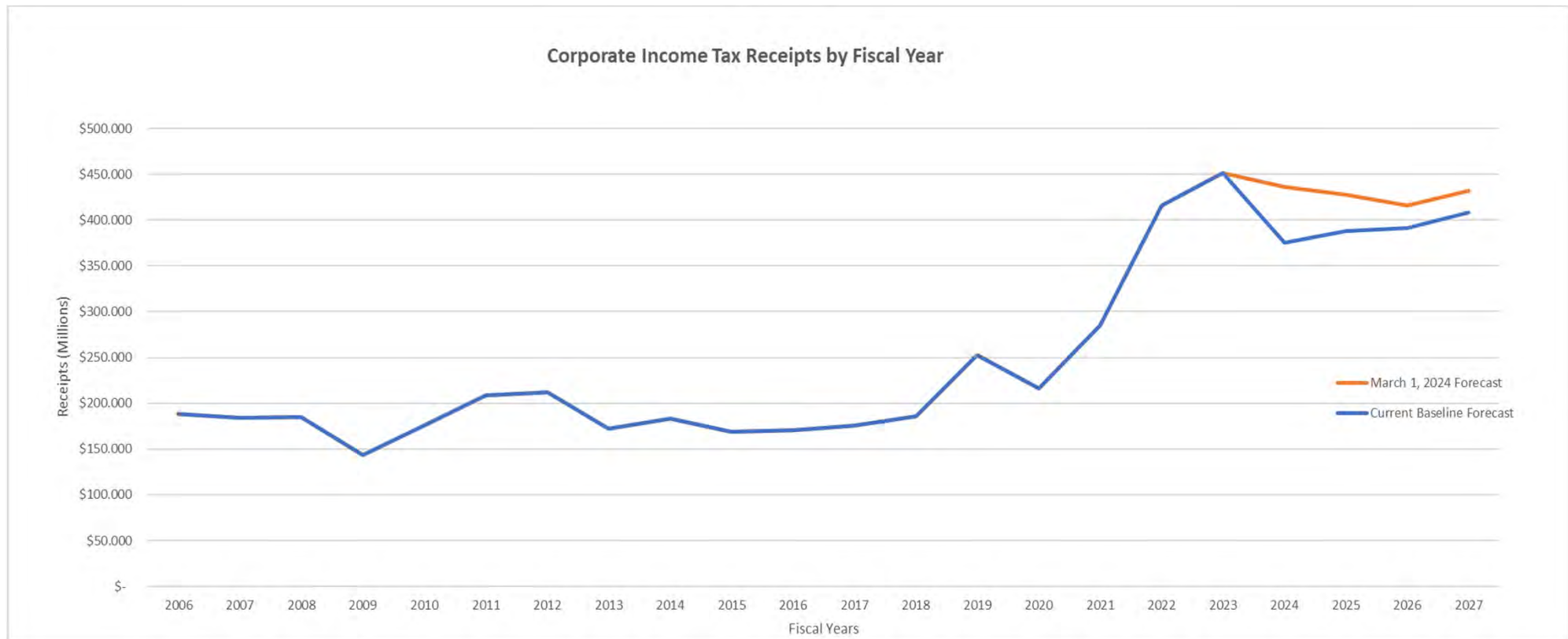


The figure excludes approximately \$50 million of one-time withholding revenue received in the first half of CY 2023.

Payment Deadline Change

- The April final and estimated payment deadline has been extended to June 17th for taxpayers located in 10 counties that are designated disaster areas.
 - We assume that the deadline extension causes a within fiscal year shift in state revenue but there is a risk that some payments or refunds will shift from FY 2024 to FY 2025.
 - Creates uncertainty in monthly distribution of non-withheld revenues.

Corporate Income Tax



- Assumed increase in TY22 liability of 34%, recognition of impact of conformity to federal amortization of R&D expenses, and more optimistic corporate pre-tax profits forecast over the forecast period.
- Both forecasts include impact of DIRIGO business incentive enacted in biennial budget and other previously enacted business incentives that will first be claimed starting in tax year 2023 (e.g., LIHC).
- FY24 includes unusually large corporate audits received through February.

Other Taxes and Wrap Up

Estate Tax

[illegible]

- Weaker growth in Household Net Worth in CY22 & CY23, revenue performance through February, and a slightly lower exemption amount in CY25-27 because of the lower inflation forecast for the decrease in the revenue forecast after FY24.

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%		
2024	\$152.8	1.9%	-\$0.57	-0.4%
2025	\$155.6	1.9%	\$2.35	1.5%
2026	\$157.1	0.9%	\$1.87	1.2%
2027	\$158.4	0.9%	\$1.26	0.8%

Source of Forecast Adjustments

\$million
(%)

	2024	2025	2026	2027
Adult use cannabis excise tax	\$1.60 10.85%	\$2.43 14.03%	\$2.70 13.83%	\$2.84 13.10%
Cigarette tax	-\$2.52 (-2.33%)	\$0.05 (0.05%)	-\$0.54 (-0.53%)	-\$1.11 (-1.10%)
Tobacco products tax	\$0.35 (1.15%)	-\$0.13 (-0.40%)	-\$0.29 (-0.85%)	-\$0.47 (-1.33%)

- Increase in cannabis excise tax forecast in each year
- Slightly faster long-run decline in cigarette tax relative to December forecast
- Slightly slower but more steady growth in tobacco products tax

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%		
2024	\$195.3	-0.4%	\$1.80	0.9%
2025	\$192.3	-1.6%	\$1.34	0.7%
2026	\$190.9	-0.7%	\$1.92	1.0%
2027	\$189.5	-0.7%	\$2.58	1.4%

- Still forecasting a decline as average fuel economy increases, but a slower decline than the December forecast.

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%		
2024	\$47.9	-2.9%	-\$1.32	-2.7%
2025	\$49.5	3.5%	-\$0.23	-0.5%
2026	\$49.9	0.7%	-\$0.14	-0.3%
2027	\$50.1	0.5%	-\$0.17	-0.3%

- 2023Q4 finished under budget & trucking industry reports predict low activity through 2024Q2, causing \$1.3M downward revision in FY2024.
- Minor negative revisions in the remaining years.

Minor recommended adjustments to

- Real estate tax transfer tax
- Business equipment tax reimbursement (BETR)

Revenue from Sales, Service Provider, Individual Income, and Corporate Income Tax Relative to Fiscal Year 2019

			Annual Growth			Relative to FY 2019		
Fiscal Year	Total Revenue		Nominal	Real		Cumulative Nominal Growth	Cumulative Real Growth	Average Annual Real Growth
2019	\$3,516.7							
2020	\$3,659.2		4.1%	2.5%		4.1%	2.5%	2.5%
2021	\$4,209.8		15.0%	12.5%		19.7%	15.2%	7.3%
2022	\$5,126.9		21.8%	13.6%		45.8%	30.9%	9.4%
2023	\$5,149.2		0.4%	-5.5%		46.4%	23.7%	5.5%
2024	\$5,179.7		0.6%	-2.5%		47.3%	20.7%	3.8%
2025	\$5,215.3		0.7%	-1.8%		48.3%	18.5%	2.9%
2026	\$5,331.1		2.2%	-0.1%		51.6%	18.5%	2.4%
2027	\$5,527.5		3.7%	1.4%		57.2%	20.1%	2.3%

Sales + SPT + IIT + CIT Revenue

- Real revenue is at least 18.5% above FY 2019 revenue and real average annual growth relative to FY 2019 is above 2% in all forecast years
- Slow annual growth forecast largely attributable to two factors
 - Individual income tax cuts: Tax Year 2019 → Tax Year 2024
 - Refundable credits
 - PTFC: \$27 million → \$107 million
 - EITC: \$9.5 million → \$50 million
 - SLRTC/EOTC: \$30 million → \$86 million
 - Refundable dependent credit in excess of tax liability: \$0 → \$20 million
 - Pension deduction: \$32 million revenue loss → \$126 million revenue loss
 - Transitory factors that contributed to strong revenue performance and return to normal
 - Sales tax: goods share of total consumption declines over forecast
 - Capital gains: FY Resident Liability estimated \$146 million (2019), \$350 million (2021), \$226 million (2024)
 - Income tax inflation adjustments: In tax years 2021 and 2022 inflation exceeded COLA growth; the reverse is true in tax years 2023 and 2024 (COLAs lag inflation)

	CPI CY	ME COLA for TY
2021	4.7%	1.1%
2022	8.0%	2.4%
2023	4.1%	6.6%
2024	2.7%	6.2%



APPENDIX G

Other Background Materials

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Revenue Forecasting Committee - March 2024 - Hollywood Casino Bangor

GENERAL FUND REVENUE		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Current Forecast - General Fund Revenue				\$8,804,824	\$8,974,626	\$8,982,685	\$8,990,816
Incremental Effect of March 2024 Forecast				(\$9,502)	\$109,357	\$109,440	\$109,525
March 2024 Forecast - Revised General Fund Revenue				\$8,795,322	\$9,083,983	\$9,092,125	\$9,100,341
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				\$5,252,867	\$5,527,179	\$5,527,731	\$5,528,284
Incremental Effect of March 2024 Forecast				(\$161,398)	\$67,510	\$67,517	\$67,524
March 2024 Forecast - Fund for a Healthy Maine Revenue				\$5,091,469	\$5,594,689	\$5,595,248	\$5,595,808
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	\$614,042,206	\$621,632,082	\$621,694,245	\$621,756,415
Player's Share (Payback Value)	B	\$474,948,847	\$546,784,363	\$556,987,092	\$559,468,874	\$559,524,821	\$559,580,773
3% Distribution to City of Bangor (.03*(A-B))	3.0%	\$1,503,185	\$1,540,864	\$1,711,653	\$1,864,896	\$1,865,083	\$1,865,269
General Fund - Administration (1% of Gross Slot Income)	C	\$5,250,550	\$5,981,465	\$6,140,422	\$6,216,321	\$6,216,942	\$6,217,564
Net Slot Machine Income (=A-B-C)		\$44,855,632	\$45,380,676	\$50,914,691	\$55,946,887	\$55,952,483	\$55,958,077
Licenses' Share of Net Slot Machine Income	61.0%	\$27,361,936	\$27,682,212	\$31,057,962	\$34,127,601	\$34,131,014	\$34,134,427
Licenses' Share of Net Slot after 3% Distribution to Bangor		\$25,858,751	\$26,141,348	\$29,346,309	\$32,262,705	\$32,265,931	\$32,269,158
Net Table Game Income		\$7,338,090	\$7,678,940	\$7,981,247	\$8,108,730	\$8,189,817	\$8,271,716
Licensee's Share of Net Table Game Income	84.0%	\$6,163,996	\$6,450,310	\$6,704,248	\$6,811,333	\$6,879,447	\$6,948,241
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	\$1,527,441	\$1,678,407	\$1,678,574	\$1,678,742
General Fund (After 48 months - November 2009)	1.0%	\$448,556	\$453,807	\$509,147	\$559,469	\$559,525	\$559,581
Fund for a Healthy Maine (FHM)	10.0%	\$4,485,563	\$4,538,068	\$5,091,469	\$5,594,689	\$5,595,248	\$5,595,808
University of Maine Scholarship Fund (2% until 9/1/13)	1.92%	\$861,228	\$871,309	\$977,562	\$1,074,180	\$1,074,288	\$1,074,395
Maine Maritime Academy Scholarship Program (beginning 9/1/13)	0.08%	\$35,885	\$36,305	\$40,732	\$44,758	\$44,762	\$44,766
Maine Community College System - Scholarship Funds	1.0%	\$448,556	\$453,807	\$509,147	\$559,469	\$559,525	\$559,581
Resident Municipalities	1.0%	\$448,556	\$453,807	\$509,147	\$559,469	\$559,525	\$559,581
Supplement Harness Racing Purses	10.0%	\$4,485,563	\$4,538,068	\$5,091,469	\$5,594,689	\$5,595,248	\$5,595,808
Sire Stakes Fund	3.0%	\$1,345,669	\$1,361,420	\$1,527,441	\$1,678,407	\$1,678,574	\$1,678,742
Fund to Encourage Racing at Maine's Commercial Tracks	4.0%	\$1,794,225	\$1,815,227	\$2,036,588	\$2,237,875	\$2,238,099	\$2,238,323
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)	1.0%	\$448,556	\$453,807	\$509,147	\$559,469	\$559,525	\$559,581
Agricultural Fair Support Fund	3.0%	\$1,345,669	\$1,361,420	\$1,527,441	\$1,678,407	\$1,678,574	\$1,678,742
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	\$718,312	\$729,786	\$737,084	\$744,454
Gambling Control Board	3.0%	\$220,143	\$230,368	\$239,437	\$243,262	\$245,695	\$248,151
Municipality	2.0%	\$146,762	\$153,579	\$159,625	\$162,175	\$163,796	\$165,434
Coordinated Veterans Assistance Fund	2.0%	\$146,762	\$153,579	\$159,625	\$162,175	\$163,796	\$165,434
Revenue Summary							
		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund							
General Fund Administration (1% of gross slot income)		\$5,250,550	\$5,981,465	\$6,140,422	\$6,216,321	\$6,216,942	\$6,217,564
General Fund (Other)		\$2,354,653	\$2,406,332	\$2,654,900	\$2,867,662	\$2,875,183	\$2,882,777
Licensing revenue		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$7,605,203	\$8,387,797	\$8,795,322	\$9,083,983	\$9,092,125	\$9,100,341
Fund for a Healthy Maine		\$4,485,563	\$4,538,068	\$5,091,469	\$5,594,689	\$5,595,248	\$5,595,808
Other Special Revenue Funds							
Harness Racing Commission		\$9,419,682	\$9,529,942	\$10,692,086	\$11,748,847	\$11,750,020	\$11,751,196
HRC - Subtotal		\$9,419,682	\$9,529,942	\$10,692,086	\$11,748,847	\$11,750,020	\$11,751,196
PUS- host municipalities		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund		\$861,228	\$871,309	\$977,562	\$1,074,180	\$1,074,288	\$1,074,395
Maine Maritime Academy Scholarship Program		\$35,885	\$36,305	\$40,732	\$44,758	\$44,762	\$44,766
Maine Community College System Scholarships		\$448,556	\$453,807	\$509,147	\$559,469	\$559,525	\$559,581
Resident Municipalities		\$595,318	\$607,386	\$668,772	\$721,644	\$723,321	\$725,015
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	\$789,137	\$792,962	\$795,395	\$797,851
Coordinated Veterans Assistance Fund		\$146,762	\$153,579	\$159,625	\$162,175	\$163,796	\$165,434
Subtotal - Other Special Revenue Funds		\$12,402,274	\$12,557,396	\$13,962,061	\$15,229,035	\$15,236,107	\$15,243,238

Revenue Forecasting Committee - March 2024 - Oxford Casino

GENERAL FUND REVENUE	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Current Forecast - General Fund Revenue			\$2,721,005	\$2,778,341	\$2,820,016	\$2,862,316
Incremental Effect of March 2024 Forecast			\$2,598	\$12,753	\$40,855	\$70,077
March 2024 - Revised General Fund Revenue			\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393

Detail of Current Revenue Forecast - Distribution of Total Income

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Total Net Slot Machine Income		\$90,056,490	\$90,983,030	\$90,786,765	\$93,036,455	\$95,362,366	\$97,746,426
Total Net Table Game Income		\$18,381,745	\$17,030,005	\$16,619,667	\$17,608,413	\$18,048,624	\$18,499,839
Licensees' Share of Total Net Slot Machine Income	54.0%	\$48,630,505	\$49,130,836	\$49,024,853	\$50,239,686	\$51,495,678	\$52,783,070
Licensees' Share of Total Net Table Game Income	84.0%	\$15,440,666	\$14,305,204	\$13,960,520	\$14,791,067	\$15,160,844	\$15,539,865
Total Licensees' Share of Net Income		\$64,071,171	\$63,436,040	\$62,985,373	\$65,030,753	\$66,656,522	\$68,322,935

Distribution of State Share of Net Slot Machine Income	46.0%	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
K-12 Essential Programs and Services	25.0%	\$22,514,123	\$22,745,758	\$22,696,691	\$23,259,114	\$23,840,592	\$24,436,606
Maine's Penobscot and Passamaquoddy Indian Tribes	4.0%	\$3,602,260	\$3,639,321	\$3,631,471	\$3,721,458	\$3,814,495	\$3,909,857
General Fund - Administration	3.0%	\$2,701,695	\$2,729,491	\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393
University of Maine System Scholarship Fund (4% until 9/1/13)	3.83%	\$3,449,164	\$3,484,650	\$3,477,133	\$3,563,296	\$3,652,379	\$3,743,688
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0.17%	\$153,096	\$154,671	\$154,337	\$158,162	\$162,116	\$166,169
Agricultural Fair Support Fund	1.0%	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
Municipality in which casino is located	2.0%	\$1,801,130	\$1,819,661	\$1,815,735	\$1,860,729	\$1,907,247	\$1,954,929
Maine Community College System Scholarship Programs	3.0%	\$2,701,695	\$2,729,491	\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393
Fund to Supplement Harness Racing Purses	1.0%	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
Sire Stakes Fund	1.0%	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
County in which casino is located	1.0%	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	0.5%	\$450,282	\$454,915	\$453,934	\$465,182	\$476,812	\$488,732
Dairy Improvement Fund (Beginning 7/1/13)	0.5%	\$450,282	\$454,915	\$453,934	\$465,182	\$476,812	\$488,732

Distribution of State Share of Net Table Game Income	16.0%	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
K-12 Essential Programs and Services	10.0%	\$1,838,175	\$1,703,001	\$1,661,967	\$1,760,841	\$1,804,862	\$1,849,984
Gambling Control Board	3.0%	\$551,452	\$510,900	\$498,590	\$528,252	\$541,459	\$554,995
Municipality in which casino is located	2.0%	\$367,635	\$340,600	\$332,393	\$352,168	\$360,972	\$369,997
County in which casino is located	1.0%	\$183,817	\$170,300	\$166,197	\$176,084	\$180,486	\$184,998

Revenue Summary	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund						
General Fund Administration	\$2,701,695	\$2,729,491	\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393
License Fees	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund	\$2,701,695	\$2,729,491	\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393
Other Special Revenue Funds						
Gambling Control Board	\$749,777	\$709,225	\$696,915	\$726,577	\$739,784	\$753,320
K-12 Essential Programs and Services	\$24,352,298	\$24,448,759	\$24,358,658	\$25,019,955	\$25,645,454	\$26,286,590
Maine's Penobscot and Passamaquoddy Indian Tribes	\$3,602,260	\$3,639,321	\$3,631,471	\$3,721,458	\$3,814,495	\$3,909,857
University of Maine System Scholarship Fund	\$3,449,164	\$3,484,650	\$3,477,133	\$3,563,296	\$3,652,379	\$3,743,688
Maine Maritime Academy Scholarship Program	\$153,096	\$154,671	\$154,337	\$158,162	\$162,116	\$166,169
Agricultural Fair Support Fund	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
Municipality in which casino is located	\$2,168,765	\$2,160,261	\$2,148,128	\$2,212,897	\$2,268,219	\$2,324,926
Maine Community College System Scholarship Programs	\$2,701,695	\$2,729,491	\$2,723,603	\$2,791,094	\$2,860,871	\$2,932,393
Fund to Supplement Harness Racing Purses	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
Sire Stakes Fund	\$900,565	\$909,830	\$907,868	\$930,365	\$953,624	\$977,464
County in which casino is located	\$1,084,382	\$1,080,130	\$1,074,065	\$1,106,449	\$1,134,110	\$1,162,462
Maine Dairy Farm Stabilization Fund	\$450,282	\$454,915	\$453,934	\$465,182	\$476,812	\$488,732
Dairy Improvement Fund	\$450,282	\$454,915	\$453,934	\$465,182	\$476,812	\$488,732
Subtotal - Other Special Revenue Funds	\$41,863,696	\$42,045,828	\$41,895,782	\$43,021,347	\$44,091,924	\$45,189,261

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	\$23.37	\$68,000
July	\$20.57	\$176,246	\$23.65	\$68,000
August	\$19.87	\$204,750	\$23.90	\$68,000
Sept.	\$22.15	\$81,929	\$24.03	\$68,000
Oct.	\$22.72	\$68,250	\$24.45	\$68,000
Nov.	\$23.00	\$68,250	\$24.20	\$68,000
Dec.	\$23.01	\$68,250	\$24.17	\$68,000
Jan.	\$21.73	\$68,250	\$23.61	\$68,000
Feb.	\$21.24	\$68,250	\$22.94	\$68,000
March	\$22.05	\$68,250	\$22.57	\$68,000
April	\$22.86	\$68,250	\$22.35	\$68,000
May	\$23.16	\$68,250	\$22.25	\$68,000
		\$1,091,825		\$816,000

TIER PROGRAM PAYMENTS

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY24	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	\$20.74	\$0.00	\$0.32	\$0.51	41,528,938	\$210,236
	Dec-23	\$19.71	\$0.00	\$0.32	\$1.04	42,740,903	\$446,317
	Jan-24	\$19.31	\$0.00	\$0.30	\$1.40	43,660,873	\$610,782
	Feb-24	\$19.70	\$0.00	\$0.30	\$1.61	41,209,962	\$401,873
	Mar-24	\$20.49	\$0.00	\$0.30	\$1.32	45,696,734	\$217,407
	Apr-24	\$20.90	\$0.00	\$0.30	\$1.10	45,232,674	\$128,992
	May-24	\$21.04	\$0.00	\$0.30	\$0.77	45,487,311	\$101,591
					FY24 Exp	\$	7,224,611
					.5% of net slot income from Oxford Casino	\$	453,934
					Net GF Exp	\$	6,770,677

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY25	Jun-24	\$21.26	\$0.00	\$0.30	\$7.37	46,402,546	\$3,420,831
	Jul-24	\$21.50	\$0.00	\$0.30	\$7.04	45,931,512	\$3,235,525
	Aug-24	\$21.74	\$0.00	\$0.30	\$6.51	46,087,618	\$2,999,401
	Sep-24	\$22.03	\$0.00	\$0.30	\$5.92	42,615,528	\$2,521,222
	Oct-24	\$22.23	\$0.00	\$0.30	\$5.66	43,879,140	\$2,484,629
	Nov-24	\$22.04	\$0.00	\$0.30	\$5.70	41,528,938	\$2,368,329
	Dec-24	\$21.59	\$0.00	\$0.30	\$6.20	42,740,903	\$2,648,859
	Jan-25	\$20.95	\$0.00	\$0.30	\$6.81	43,660,873	\$2,973,422
	Feb-25	\$20.48	\$0.00	\$0.30	\$6.99	41,209,962	\$2,879,195
	Mar-25	\$20.27	\$0.00	\$0.30	\$7.15	45,696,734	\$3,265,646
	Apr-25	\$20.07	\$0.00	\$0.30	\$7.30	45,232,674	\$3,302,283
	May-25	\$19.96	\$0.00	\$0.30	\$7.42	45,487,311	\$3,376,974
					FY25 Exp	\$	35,476,316
					.5% of net slot income from Oxford Casino	\$	465,182
					Net GF Exp	\$	35,011,134

Milk Handling Fee and Transfer to Maine Milk Pool

HANDLING FEE INCOME

	FY26	FY26	FY27	FY27
Month	Basic Price	Revenue	Basic Price	Revenue
June	<i>\$21.96</i>	<i>\$68,000</i>	<i>\$21.25</i>	<i>\$68,000</i>
July	<i>\$21.50</i>	<i>\$68,000</i>	<i>\$21.50</i>	<i>\$68,000</i>
August	<i>\$21.50</i>	<i>\$68,000</i>	<i>\$21.50</i>	<i>\$68,000</i>
Sept.	<i>\$21.50</i>	<i>\$68,000</i>	<i>\$21.50</i>	<i>\$68,000</i>
Oct.	<i>\$21.50</i>	<i>\$68,000</i>	<i>\$21.50</i>	<i>\$68,000</i>
Nov.	<i>\$21.50</i>	<i>\$68,000</i>	<i>\$21.50</i>	<i>\$68,000</i>
Dec.	<i>\$21.00</i>	<i>\$68,000</i>	<i>\$21.00</i>	<i>\$68,000</i>
Jan.	<i>\$20.80</i>	<i>\$136,000</i>	<i>\$20.80</i>	<i>\$136,000</i>
Feb.	<i>\$20.70</i>	<i>\$136,000</i>	<i>\$20.70</i>	<i>\$136,000</i>
March	<i>\$20.60</i>	<i>\$136,000</i>	<i>\$20.60</i>	<i>\$136,000</i>
April	<i>\$20.80</i>	<i>\$136,000</i>	<i>\$20.80</i>	<i>\$136,000</i>
May	<i>\$21.00</i>	<i>\$68,000</i>	<i>\$21.00</i>	<i>\$68,000</i>
		\$1,088,000		\$1,088,000

TIER PROGRAM PAYMENTS

FY26	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	<i>\$19.32</i>	<i>\$0.00</i>	<i>\$0.30</i>	<i>\$8.55</i>	530,473,739	\$ 45,368,943
					FY26 Exp	\$ 45,368,943
				.5% of net slot income from Oxford Casino		\$ 476,812
					Net GF Exp	\$ 44,892,131

FY27	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	<i>\$19.00</i>	<i>\$0.00</i>	<i>\$0.30</i>	<i>\$8.87</i>	530,473,739	\$ 47,100,389
					FY27 Exp	\$ 47,100,389
				.5% of net slot income from Oxford Casino		\$ 488,732
					Net GF Exp	\$ 46,611,657

NOTES:

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

Tier target prices: \$28.90, \$29.17, \$27.61, \$26.87

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 - March 2024 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 - March 2024 Revenue Forecast

			FY 2024	FY 2024	FY 2024	2023-2024	FY 2025	FY 2025	FY 2025	2024-2025
New Approp	REV SHORT	REV SRC	Rev. Est. Dec-23	Req. Chg. Mar-24	Rev. Est. Mar-24	% Chg.	Rev. Est. Dec-23	Req. Chg. Mar-24	Rev. Est. Mar-24	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	41,000,000	2,500,000	43,500,000	2.7%	43,118,022	2,500,000	45,618,022	4.9%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,900,000	400,000	3,300,000	18.3%	2,900,000	400,000	3,300,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	80,000	20,000	100,000	30.7%	80,000	20,000	100,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	175,000	21,000	196,000	12.7%	175,000	21,000	196,000	0.0%
Subtotal RTF Tax			3,155,000	441,000	3,596,000	18.3%	3,155,000	441,000	3,596,000	0.0%
01410A014704	MEDICAL CARE- HOSPITAL TAX	1913	127,706,538	0	127,706,538	2.4%	122,298,490	0	122,298,490	-4.2%
01410AZ21050	MED MATCH MR- PNMI TAX	0675	536,724	73,276	610,000	13.7%	313,089	36,638	349,727	-42.7%
01410AZ21052	MED MATCH MR- SERV PROV TAX	0675	29,795,444	(680,444)	29,115,000	3.2%	19,058,413	(340,222)	18,718,191	-35.7%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	6,000,000	400,000	6,400,000	19.1%	3,454,506	200,000	3,654,506	-42.9%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	4,000,000	400,000	4,400,000	11.4%	2,310,907	200,000	2,510,907	-42.9%
01410AZ20241	MEDICAID SEED- PNMI TAX	0675	275,000	25,000	300,000	37.1%	155,165	12,500	167,665	-44.1%
01410A014701	MEDICAL CARE SERVICES	0675	19,768,300	0	19,768,300	1.5%	12,260,937	0	12,260,937	-38.0%
Subtotal Service Provider (PNMI) Tax			60,375,468	217,832	60,593,300	4.9%	37,553,017	108,916	37,661,933	-37.8%
			232,237,006	3,158,832	235,395,838	3.3%	206,124,529	3,049,916	209,174,445	-11.1%
	Nursing Home Tax		41,000,000	2,500,000	43,500,000	2.7%	43,118,022	2,500,000	45,618,022	4.9%
	RTF's Tax		3,155,000	441,000	3,596,000	18.3%	3,155,000	441,000	3,596,000	0.0%
	Hospital Tax		127,706,538	0	127,706,538	2.4%	122,298,490	0	122,298,490	-4.2%
	Service Provider (PNMI) Tax		60,375,468	217,832	60,593,300	4.9%	37,553,017	108,916	37,661,933	-37.8%
			232,237,006	3,158,832	235,395,838	3.3%	206,124,529	3,049,916	209,174,445	-11.1%

Medicaid/MaineCare Dedicated Revenue Taxes Detail - March 2024 Revenue Forecast

			FY 2026	FY 2026	FY 2026	2025-2026	FY 2027	FY 2027	FY 2027	2026-2027
New Approp	REV SHORT	REV SRC	Rev. Est. Dec-23	Req. Chg. Mar-24	Rev. Est. Mar-24	% Chg.	Rev. Est. Dec-23	Req. Chg. Mar-24	Rev. Est. Mar-24	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	43,118,022	2,500,000	45,618,022	0.0%	43,118,022	2,500,000	45,618,022	0.0%
01410AZ19753	RES TRMT FACILITIES TAX	0671	2,900,000	400,000	3,300,000	0.0%	2,900,000	400,000	3,300,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	80,000	20,000	100,000	0.0%	80,000	20,000	100,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	175,000	21,000	196,000	0.0%	175,000	21,000	196,000	0.0%
Subtotal RTF Tax			3,155,000	441,000	3,596,000	0.0%	3,155,000	441,000	3,596,000	0.0%
01410A014704	MEDICAL CARE- HOSPITAL TAX	1913	122,298,490	0	122,298,490	0.0%	122,298,490	0	122,298,490	0.0%
01410AZ21050	MED MATCH MR- PNMI TAX	0675	0	0	0	-100.0%	0	0	0	#DIV/0!
01410AZ21052	MED MATCH MR- SERV PROV TAX	0675	0	0	0	-100.0%	0	0	0	0.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	0	0	0	-100.0%	0	0	0	#DIV/0!
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	0	0	0	-100.0%	0	0	0	#DIV/0!
01410AZ20241	MEDICAID SEED- PNMI TAX	0675	0	0	0	-100.0%	0	0	0	#DIV/0!
01410A014701	MEDICAL CARE SERVICES	0675	0	0	0	-100.0%	0	0	0	0.0%
Subtotal Service Provider (PNMI) Tax			0	0	0	-100.0%	0	0	0	0.0%
			168,571,512	2,941,000	171,512,512	-18.0%	168,571,512	2,941,000	171,512,512	0.0%
	Nursing Home Tax		43,118,022	2,500,000	45,618,022	0.0%	43,118,022	2,500,000	45,618,022	0.0%
	RTF's Tax		3,155,000	441,000	3,596,000	0.0%	3,155,000	441,000	3,596,000	0.0%
	Hospital Tax		122,298,490	0	122,298,490	0.0%	122,298,490	0	122,298,490	0.0%
	Service Provider (PNMI) Tax		(0)	0	(0)	-100.0%	(0)	0	(0)	0.0%
			168,571,512	2,941,000	171,512,512	-18.0%	168,571,512	2,941,000	171,512,512	0.0%

Revenue Forecasting Committee - March 2024 - Advanced Deposit Wagering

Advanced Deposit Wagering Activity		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-2026	2026-2027
ADW Activity									
ME resident activity on Maine races		\$ 25,383.30	\$ 151,785.60	\$ 219,289.30	\$ 270,181.30	\$ 199,773.80	\$ 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	\$ 2,446,193.86	\$ 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	\$ 2,645,967.66	\$ 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	\$ 132,298.38	\$ 262,998.97	\$ 265,628.95	\$ 268,285.24
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
		Actuals	Actuals	Actuals	Actuals	YTD	Projected	Projected	Projected
General Fund Revenue									
In State	\$	126.93	\$ 769.02	\$ 1,096.59	\$ 1,350.90	\$ 998.84	\$ 1,364.42	\$ 1,378.06	\$ 1,391.84
Out of State	\$	3,341.45	\$ 23,522.88	\$ 22,261.09	\$ 19,242.76	\$ 12,230.99	\$ 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	\$ 13,229.83	\$ 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	\$ 1,997.75	\$ 2,728.83	\$ 2,756.12	\$ 2,783.68
Sire Stakes Fund	\$	12.70	\$ 75.87	\$ 109.65	\$ 205.08	\$ 99.90	\$ 136.44	\$ 137.81	\$ 139.18
Agricultural Fair Support Fund	\$	126.92	\$ 758.96	\$ 1,096.60	\$ 1,350.91	\$ 998.88	\$ 1,364.42	\$ 1,378.06	\$ 1,391.84
Purse Supplements	\$	304.60	\$ 1,821.46	\$ 2,631.86	\$ 3,242.19	\$ 2,397.29	\$ 3,274.60	\$ 3,307.34	\$ 3,340.42
Race Tracks	\$	253.83	\$ 1,507.73	\$ 2,193.19	\$ 2,701.81	\$ 1,997.74	\$ 2,728.83	\$ 2,756.12	\$ 2,783.68
Distribution 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	\$ 8,651.75	\$ 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	\$ 38,681.48	\$ 89,767.73	\$ 90,665.41	\$ 91,572.06
Sire Stakes Fund	\$	334.14	\$ 2,352.26	\$ 2,226.11	\$ 1,924.28	\$ 1,223.10	\$ 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	\$ 12,230.97	\$ 24,935.48	\$ 25,184.84	\$ 25,436.68
Purse Supplements	\$	2,339.02	\$ 16,466.01	\$ 15,582.77	\$ 13,469.91	\$ 8,561.68	\$ 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	\$ 38,681.48	\$ 89,767.73	\$ 90,665.41	\$ 91,572.06
	\$	30,073.16	\$ 211,705.86	\$ 200,350.01	\$ 173,184.72	\$ 99,378.71	\$ 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	\$ 108,030.46	\$ 236,699.07	\$ 239,066.06	\$ 241,456.72