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REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

December 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
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review
Darryl Stewart, Acting State Budget Officer
Todd Gabe, Professor of Economics, University of Maine

December 2, 2024

TO: Governor Janet T. Mills
Members, 131st Legislature and 132nd Legislature

FROM: Amanda Rector, Chair
Revenue Forecasting Committee

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

The Revenue Forecasting Committee (RFC) has concluded its update of the revenue forecast to comply with its statutory reporting date of December 1, 2024, to incorporate the new economic forecast released by the Consensus Economic Forecasting Commission (CEFC) on November 1, 2024, and to provide a forecast that reflects revenue performance through the first four months of FY25 and preliminary revenues for November 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

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$5,333,253,940	\$5,424,649,560	\$5,597,580,185		
Annual % Growth	-0.4%	1.7%	3.2%		
Net Increase (Decrease)	\$247,903,330	\$113,527,715	\$88,659,205		
Revised Forecast	\$5,581,157,269	\$5,538,177,275	\$5,686,239,390	\$5,862,453,837	\$6,063,446,943
Annual % Growth	4.3%	-0.8%	2.7%	3.1%	3.4%

In its December 2024 update, the RFC revised General Fund revenue estimates upward by \$247.9 million for FY25 and by \$202.2 million (1.8%) for the 2026-2027 biennium. The forecasted rate of year-over-year change in General Fund revenue for FY25 is now 4.3%, followed by -0.8% for FY26 and 2.7% for FY27. The FY25 positive reprojection includes approximately \$80.0 million in one-time non-withholding individual income tax revenue resulting from the deferral of tax filings and payments in April 2024 and June 2024 until July 2024 because of the natural disaster declaration related to the January 2024 winter storm. Had the \$80.0 million in one-time revenue been deposited in FY24 and not FY25, the rate of year-over-year growth would have been 1.3% for FY25 and 0.7% for FY26. The December 2024 forecast adds projections for the 2028-2029 biennium, with overall FY28 General Fund revenue projected to grow at a 3.1% rate and FY29 at a 3.4% rate.

The changes in General Fund revenue during the forecast period are primarily from the three largest revenue lines: individual income tax, corporate income tax, and the sales and use tax. The estate tax and the income from investment revenue lines are also significant contributing factors to the positive General Fund variance in the December 2024 RFC forecast.

Individual Income Tax Revenue estimates are revised upward by \$185.0 million for FY25, \$62.0 million for FY26, and \$44.0 million for FY27. Almost half of the FY25 revision is from the deferral of payments because of the January winter storm. In addition, the CEFC increased the wage and salary income forecast for CY24 from 5.0% to 6.0% and the RFC is now assuming that resident capital gains realizations in CY24 will increase 14.9% rather than decrease by 6.2% as assumed in the March 1, 2024, revenue forecast. Stronger interest and dividend income also contribute to the FY25 and ongoing positive reprojection. The FY24-25 biennial budget included several tax cuts that will first impact revenues when taxpayers file their tax year 2024 tax returns in early 2025. It's estimated that tax year 2024 resident liability will increase 1.4% but would have increased by 7.1% absent the enacted tax cuts. Individual income tax growth is forecasted to increase by approximately 5% between FY27 and FY29.

Corporate Income Tax Revenue estimates are revised upward by \$17.0 million for FY25, \$7.0 million for FY26 and \$15.0 million for FY27. Corporate income tax receipts continue to be higher than revenue projections, but the positive variances have narrowed significantly. A more optimistic forecast of pre-tax corporate profits by the CEFC accounts for most of the upward reprojection for FY25, with modest positive changes in the future years as the new Dirigo business investment and training incentive becomes effective January 1, 2025. FY26 is estimated to be the first year that the Dirigo incentive will have any meaningful impact on General Fund revenue.

Sales and Use Tax Revenue estimates are revised upward by \$23.4 million for FY25, \$30.8 million for FY26 and \$27.0 million for FY27. The prior forecast had predicted a significant slowdown in growth: from 4.5% in FY23 down to 3.6% in FY24 and 1.5% in FY25. The new forecast still projects a slowdown, but not as severe as the prior forecast. The more positive outlook is a combination of three factors: the positive variances observed in FY24 and through the first 5 months of FY25, the changes in the new CEFC forecast, and lease stream legislation that passed in the spring, which moves to taxing rental payments on leased tangible personal property rather than taxing the purchase of rental property up front. This change will take effect January 2025. The fiscal note for that bill is included in the current budget, but we have since increased the estimate of the fiscal impact of that change. The growth rates in FY26 and FY27 are lower due to anticipated refunds. In FY26 we anticipate refunds of use tax paid on purchases of battery energy storage systems. In FY27 there will be refunds related to the lease stream bill that takes effect in January, which will refund use tax paid in calendar years 2023 and 2024 on property purchased for lease or rental. The higher growth rate in FY28 is due to those refunds in FY27.

Estate Tax estimates are revised upward by \$11.4 million for FY25, \$8.3 million for FY26, and \$8.5 million for FY27. These changes are mostly from a more optimistic CEFC forecast of household net worth and actual estate tax revenues and returns received since the March forecast.

Income from Investments (Interest) estimates are revised upward by \$22.4 million for FY25, \$11.5 million for FY26, and \$11.1 million for FY27. These increases result from upward adjustments to the underlying assumptions regarding fund balances and cash pool interest rates.

Highway Fund Summary

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$503,560,608	\$504,184,363	\$503,727,720		
Annual % Growth	-1.4%	0.1%	-0.1%		
Net Increase (Decrease)	\$11,204,518	\$9,901,317	\$11,622,968		
Revised Forecast	\$514,765,126	\$514,085,680	\$515,350,688	\$516,089,665	\$516,188,380
Annual % Growth	0.8%	-0.1%	0.2%	0.1%	0.0%

In its December 2024 update, the RFC revised Highway Fund revenue estimates upward by \$11.2 million for FY25 and by \$21.5 million (2.1%) for the 2026-2027 biennium. The forecasted rate of year-over-year change in Highway Fund revenue for FY25 is now 0.8%, followed by -0.1% for FY26 and 0.2% for FY27. The December 2024 forecast adds projections for the 2028-2029 biennium, with overall FY28 Highway Fund revenue projected to grow at a 0.1% rate and FY29 only slightly above the FY28 forecasted level. The increases in the December 2024 Highway Fund forecast are largely the result of increases in the gas tax revenue forecast of \$8.6 million in FY25, \$10.8 million in FY26, and \$12.4 million in FY27. The March 2024 forecast had assumed a decline in gas tax revenue resulting from increased fuel economy while the new forecast assumes slowing growth. Income from investments (interest) also contributed to the Highway Fund positive variance in the December 2024 forecast.

In its November report the CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but did not anticipate a recession in its forecast. The CEFC noted that, “demographic changes, a possible slowdown in job openings, and global geopolitical tensions were among the key risks to continued economic growth.” The CEFC also noted that, “Net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains.” These assumptions of current uncertainty in the larger economic environment paired with changes to demographics in Maine, anticipated in the future, are reflected in the economic variables used by the RFC in this December revenue forecast. The CEFC made only minor changes to key economic variables used by the RFC in their revenue forecast. Both the CEFC and RFC will continue to monitor changes in economic conditions over the coming months in preparation for their required April 2025 and May 2025 reports.

While revenue growth has clearly moderated, it remains stronger than previously anticipated. With the start of the new year state tax cuts enacted two years ago will begin to affect General Fund revenues; only then will we understand the true impact of those tax changes. In addition, a new president and Congress will be sworn in in early January and deliberations relating to expiring provisions of the 2017 “Tax Cuts and Jobs Act” (TCJA) will begin in earnest. Those congressional negotiations and subsequent legislation will likely have a significant impact on Maine income and estate taxes and will require legislative review to determine if Maine will or will not conform.

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 December 2024 Forecast

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

The Revenue Forecasting Committee (RFC) met on November 25, 2024, to review and update the revenue forecast to comply with its statutory reporting date of December 1st. The RFC revised its revenue projections through the fiscal year ending June 30, 2027, and extended the forecast period through June 30, 2029, for the General Fund, Highway Fund, Fund for a Healthy Maine and MaineCare Dedicated Revenue Taxes.

Economic Forecast

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 25, 2024, to review and revise its forecast through 2029. This meeting built on the Commission's forecast update of February 1, 2024, incorporating the most recent updates available for all relevant baseline data. This includes revised actual values, including revisions to personal income through 2023 from the U.S. Bureau of Economic Analysis (BEA).

The CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. Net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains. The CEFC noted that inflation has moderated and the Federal Reserve, in its mission to find a 'soft landing', is expected to continue pursuing policies that will constrain inflation to its target levels. Overall, employment in the health care and social assistance sector has recovered and is slightly above pre-pandemic levels. However, some subsectors – like hospitals and nursing residential care facilities – are facing labor shortages and financial struggles. Demographic changes, a possible slowdown in job openings, and global geopolitical tensions were among the key risks to continued economic growth identified by the CEFC.

The Commission's forecast for wage and salary employment was left unchanged for all forecast years based on information from the Maine Department of Labor.

The Commission revised its forecast for total personal income growth in 2024 up from 4.7% to 5.3%. The forecast for 2025 was left unchanged (4.4%). The Commission made slight upward revisions for all remaining forecast years, going from 4.3% to 4.4% in 2026, 4.2% to 4.4% in 2027, 4.2% to 4.3% in 2028, and from 4.2% to 4.3% in 2029.

For all components of personal income, revisions for 2024 were informed by the growth as reported by the U.S. Bureau of Economic Analysis for the first two quarters of 2024 relative to the same period in 2023.

The forecast for wage and salary income growth was revised up for 2024 from 5.0% to 6.0%. The Commission left the rest of the forecast years unchanged.

The forecast for growth in supplements to wages and salaries was revised up from 3.5% to 6.5% in 2024. The remaining years of the forecast were revised upwards to more closely align with forecasts from Moody's Analytics and S&P. The Commission revised their forecasts from 3.5% to 4.0% in 2025 and 2026, and from 3.0% to 3.5% for 2027-2029.

The forecast for nonfarm proprietor's income growth was revised up from 5.0% to 6.0% for 2024. The remaining years of the forecast were all revised upwards from 3.0% to 4.0% to more closely align with forecasts from Moody's Analytics and S&P.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2024 from 5.5% to 6.0%. The Commission left the rest of the forecast years unchanged.

The forecast for personal current transfer receipts growth was revised downward for 2024 from 3.5% to 2.3%. The Commission left the rest of the forecast years unchanged.

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 left their forecast of annual inflation unchanged for all forecast years.

The forecast for corporate profits was revised upwards in 2024 from 1.0% to 9.0% based on data from the U.S. Bureau of Economic Analysis, and to more closely align with forecasts from Moody's Analytics and S&P. The Commission left the rest of the forecast years unchanged.

Summary of Revenue Forecast

The economic variables in the CEFC forecast play a prominent role in the revenue forecast. Maine Revenue Services' Office of Tax Policy (MRS/OTP) tax models use the CEFC economic variables to help project revenue from the major taxes. Data related to non-tax revenue lines were provided by affected state agencies and reviewed by staff in the Office of Fiscal and Program Review and the Bureau of the Budget to come up with consensus recommendations. The RFC reviewed MRS/OTP and other staff recommendations at its meeting on November 25, 2024, and agreed to those recommendations. The following tables and narratives highlight the final changes to each of the major funds and revenue sources approved by the RFC as part of its December 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

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$5,333,253,940	\$5,424,649,560	\$5,597,580,185		
Annual % Growth	-0.4%	1.7%	3.2%		
Net Increase (Decrease)	\$247,903,330	\$113,527,715	\$88,659,205		
Revised Forecast	\$5,581,157,269	\$5,538,177,275	\$5,686,239,390	\$5,862,453,837	\$6,063,446,943
Annual % Growth	4.3%	-0.8%	2.7%	3.1%	3.4%

General Fund revenue estimates are revised upward by \$247.9 million for FY25 and by \$202.2 million (1.8%) for the 2026-2027 biennium. The forecasted rate of year-over-year change in General Fund revenue for FY25 is now 4.3%, followed by -0.8% for FY26 and 2.7% for FY27. The FY25 positive reprojection includes approximately \$80.0 million in one-time non-withholding individual income tax revenue resulting from the deferral of tax filings and payments in April 2024 and June 2024 until July 2024 because of the natural disaster declaration related to the January 2024 winter storm. Had the \$80.0 million in one-time revenue been deposited in FY24 and not FY25, the rate of year-over-year growth would have been 1.3% for FY25 and 0.7% for FY26. The December 2024 forecast adds projections for the 2028-2029 biennium, with overall FY28 General Fund revenue projected to grow at a 3.1% rate and for FY29 at a 3.4% rate.

The changes in General Fund revenue during the forecast period are primarily from the three largest revenue lines: individual income tax, corporate income tax, and the sales and use tax. The estate tax and the income from investment revenue lines are also significant contributing factors to the positive General Fund variance in the December 2024 RFC forecast.

Individual Income Tax Revenue estimates are revised upward by \$185.0 million for FY25, \$62.0 million for FY26, and \$44.0 million for FY27. Almost half of the FY25 revision is from the deferral of payments because of the January winter storm. In addition, the CEFC increased the wage and salary income forecast for CY24 from 5.0% to 6.0% and the RFC is now assuming that resident capital gains realizations in CY24 will increase 14.9% rather than decrease by 6.2% as assumed in the March 1, 2024, revenue forecast. Stronger interest and dividend income also contribute to the FY25 and ongoing positive reprojection. The 2024-2025 biennial budget included several tax cuts that will first impact revenues when taxpayers file their tax year 2024 tax returns in early 2025. It's estimated that tax year 2024 resident liability will increase 1.4% but would have increased by 7.1% absent the enacted tax cuts. Individual income tax growth is forecasted to increase annually by approximately 5% between FY27 and FY29.

Corporate Income Tax Revenue estimates are revised upward by \$17.0 million for FY25, \$7.0 million for FY26 and \$15.0 million for FY27. Corporate income tax receipts continue to be higher than revenue projections, but the positive variances have narrowed significantly. A more optimistic forecast of pre-tax corporate profits by the CEFC accounts for most of the upward reprojection for FY25, with modest positive changes in the future years as the new Dirigo business investment and training incentive becomes effective January 1, 2025. FY26 is estimated to be the first year that the Dirigo incentive will have any meaningful impact on General Fund revenue.

Sales and Use Tax Revenue estimates are revised upward by \$23.4 million for FY25, \$30.8 million for FY26 and \$27.0 million for FY27. The prior forecast had predicted a significant slowdown in growth: from 4.5% in FY23 down to 3.6% in FY24 and 1.5% in FY25. The new forecast still projects a slowdown, but not as severe as the prior forecast. The more positive outlook is a combination of three factors: the positive variances observed in FY24 and through the first 5 months of FY25, the changes in the new CEFC forecast, and lease stream legislation that passed in the spring, which moves to taxing rental payments on leased tangible personal property rather than taxing the purchase of rental property up front. This change will take effect January 2025. The fiscal note for that bill is included in the current budget, but the new forecast increases the estimate of the fiscal impact of that change. The growth rates in FY26 and FY27 are lower due to anticipated refunds. In FY26 we anticipate refunds of use tax paid on purchases of battery energy storage systems. In FY27 there will be refunds related to the lease stream bill that takes effect in January, which will refund use tax paid in calendar years 2023 and 2024 on property purchased for lease or rental. The higher growth rate in FY28 is due to those refunds in FY27.

Estate Tax estimates are revised upward by \$11.4 million for FY25, \$8.3 million for FY26, and \$8.5 million for FY27. These changes are mostly from a more optimistic CEFC forecast of household net worth and actual estate tax revenues and returns received since the March forecast.

Income from Investments (Interest) estimates are revised upward by \$22.4 million for FY25, \$11.5 million for FY26, and \$11.1 million for FY27. These increases result from upward adjustments to the underlying assumptions regarding fund balances and cash pool interest rates.

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 \$5.7 million for FY25, \$5.7 million for FY26, and \$7.6 million for FY27. These net adjustments are the result of cigarette taxes decreasing faster than assumed in the March 2024 forecast, tobacco product tax revenue increasing modestly above prior forecasted levels and forecasted adult-use cannabis excise tax revenue decreasing by \$0.4 million for FY25, \$1.8 million for FY26, and \$2.6 million for FY27.

- **Adult-Use Cannabis Sales Tax.** The sales and use taxes forecast above assumes gross adult-use cannabis sales tax revenue of \$25.4 million in FY25, \$28.1 million in FY26, \$30.7 million in FY27, \$33.5 million in FY28, and \$36.2 million in FY29. 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 \$3.0 million in FY25, \$3.3 million in FY26, \$3.7 million in FY27, \$4.0 million in FY28, and \$4.3 million in FY29. 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 FY24 were approximately \$15.6 million.
- **Adult-Use Cannabis Excise Tax.** The cigarette and tobacco taxes forecast above assumes gross cannabis excise tax revenue of \$19.3 million in FY25, \$20.4 million in FY26, \$21.9 million in FY27, \$23.3 million in FY 28 and \$24.6 million in FY29. 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 \$2.3 million in FY25, \$2.4 million in FY26, \$2.6 million in FY27, \$2.8 million in FY28 and \$2.9 million in FY29. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063).
- **Insurance Premium Tax.** The forecast for insurance premium tax revenue is decreased by \$0.2 million for FY25 and by \$4.1 million for FY26 and for FY27. This forecasted decrease reflects slower than previously forecasted calendar year 2023 tax liability growth.
- **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 \$14.1 million for FY25, \$5.8 million for FY26 and \$4.3 million for FY27.
- **Municipal Business Equipment Tax Exemption (“BETE”) program.** The forecast for revenue transferred under the “BETE” program for FY25 is increased by \$1.5 million and by \$0.2 million for FY 26 resulting from increased reimbursable property experience but revised downward by \$1.1 million for FY27 as a result of slower projected growth in reimbursable property moving forward.
- **Transfer from the Lottery Commission.** The forecast for transfers to the General Fund from the Lottery Commission are unchanged in the this forecast after having been revised upward by \$5.0 million per year for FY25 through FY27 in the March 2024 forecast.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is increased by \$0.5 million for FY25 but decreased by \$0.3 million for FY26 and by \$0.7 million for FY27 based on recent revenue collection experience and the new economic forecast.
- **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 FY25 is reduced from \$4.5 million to \$3.8 million and remains unchanged for FY26 at \$4.5 million and for FY27 at \$4.6 million.
- **Other Revenue – Unclaimed Property Transfer.** The forecast for unclaimed property transfers is increased by \$8.0 million in FY25 based on actual experience and remains unchanged for FY26 and FY27.
- **Other Revenue - Transfer to Maine Milk Pool.** The forecast for transfers to the milk pool is revised downward (positive impact on the General Fund) by \$5.9 million for FY25, reflecting increased federal blend prices, lower support payments and decreased production. This trend is continued for FY26 and FY27 with downward adjustments (positive impact on the General Fund) of \$12.1 million for FY26 and \$0.9 million for FY27.

Highway Fund Summary

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$503,560,608	\$504,184,363	\$503,727,720		
Annual % Growth	-1.4%	0.1%	-0.1%		
Net Increase (Decrease)	\$11,204,518	\$9,901,317	\$11,622,968		
Revised Forecast	\$514,765,126	\$514,085,680	\$515,350,688	\$516,089,665	\$516,188,380
Annual % Growth	0.8%	-0.1%	0.2%	0.1%	0.0%

Highway Fund revenue estimates are revised upward by \$11.2 million for FY25 and by \$21.5 million (2.1%) for the 2026-2027 biennium. The forecasted rate of year-over-year change in Highway Fund revenue for FY25 is now 0.8%, followed by -0.1% for FY26 and 0.2% for FY27. The December 2024 forecast adds projections for the 2028-2029 biennium, with overall FY28 Highway Fund revenue projected to grow at a 0.1% rate and FY29 only slightly above the FY28 forecasted level. The increases in the December 2024 Highway Fund forecast are largely the result of increases in the gas tax revenue forecast of \$8.6 million in FY25, \$10.8 million in FY26, and \$12.4 million in FY27. The March 2024 forecast had assumed a decline in gas tax revenue resulting from increased fuel economy while the new forecast assumes slowing growth. Income from investments (interest) also contributed to the Highway Fund positive variance in the December 2024 forecast.

Fund for a Healthy Maine Summary

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$36,715,115	\$35,531,961	\$35,284,187		
Annual % Growth	-31.0%	-3.2%	-0.7%		
Net Increase (Decrease)	\$11,614,804	(\$3,020,905)	(\$5,922,374)		
Revised Forecast	\$48,329,919	\$32,511,056	\$29,361,813	\$29,312,083	\$29,262,924
Annual % Growth	-9.2%	-32.7%	-9.7%	-0.2%	-0.2%

Fund for a Healthy Maine (FHM) revenue estimates are revised upward by \$11.6 million for FY25, but downward by \$3.0 million for FY26 and \$5.9 million for FY27. The forecasted rate of year-over-year change in FHM revenue for FY25 is now -9.2%, followed by -32.7% for FY26 and -9.7% for FY27. The December 2024 forecast adds projections for the 2028-2029 biennium, with overall FHM revenue projected to grow at a -0.2% rate for FY28 and for FY29.

FHM revenue primarily derives from the State's annual Tobacco Settlement Payment (TSP). As in previous forecasts, the TSPs estimate is based on the latest forecast from the National Association of Attorneys General (NAAG). The estimates for the TSP were revised in the December forecast based on a new NAAG forecast completed in June 2024. The increase in revenue in FY25 relates to a settlement between the participating manufacturers and the State of Maine's Office of the Attorney General. Due to the settlement, none of the TSP will be withheld and placed in escrow, which increased the amount due to Maine for FY25 by \$11.1 million, over previous forecasts. The decrease in revenue in FY26 and FY27 was due to a decrease in the expected TSP in the revised NAAG estimate.

The FHM share of casino revenue is revised downward \$0.4 million for FY25 but upward by \$0.06 million for FY26 and \$0.1 million for FY27, consistent with the changes in the overall forecast for Hollywood Casino Bangor revenue. The FHM forecast for income from investments is revised upward by \$0.9 for FY25, by \$0.08 million for FY26 and by \$0.05 million for FY27, consistent with the changes in the overall forecast for income from investments.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$244,804,797	\$201,781,281	\$201,781,281		
Annual % Growth	3.0%	-17.6%	0.0%		
Net Increase (Decrease)	(\$3,639,290)	\$1,455,716	\$1,455,716		
Revised Forecast	\$241,165,507	\$203,236,997	\$203,236,997	\$203,236,997	\$203,236,997
Annual % Growth	1.5%	-15.7%	0.0%	0.0%	0.0%

Medicaid/MaineCare Dedicated revenue estimates are revised downward by \$3.6 million for FY25, but upward by \$1.5 million for FY26 and FY27. The downward adjustment for FY25 results from a change in the forecast for a large one-time increase in nursing facility tax revenue from the last legislative session. The one-time increase related to a one-time payment authorized in PL 2023 c.643, to establish the Nursing Facility Reform Transition Fund to fund components of nursing facility rates starting January 1, 2025, to support a complete transition to the new payment system by calendar year 2028. Though the payments are still expected to be made, the estimate of the revenue associated with the payments has been reduced in this forecast. The upward adjustments in FY 26 and 27 include increases in the forecast for the nursing facilities tax ongoing revenue. These adjustments are based on actual FY25 experience, through October 2024.

Conclusion

In its November report the CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but did not anticipate a recession in its forecast. The CEFC noted that, “demographic changes, a possible slowdown in job openings, and global geopolitical tensions were among the key risks to continued economic growth.” The CEFC also noted that, “Net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains.” These assumptions of current uncertainty in the larger economic environment paired with changes to demographics in Maine, anticipated in the future, are reflected in the economic variables used by the RFC in this December revenue forecast. The CEFC made only minor changes to key economic variables used by the RFC in their revenue forecast. Both the CEFC and RFC will continue to monitor changes in economic conditions over the coming months in preparation for their required April 2025 and May 2025 reports.

While revenue growth has clearly moderated, it remains stronger than previously anticipated. With the start of the new year state tax cuts enacted two years ago will begin to affect General Fund revenues; only then will we understand the true impact of those tax changes. In addition, a new president and Congress will be sworn in in early January and deliberations relating to expiring provisions of the 2017 “Tax Cuts and Jobs Act” (TCJA) will begin in earnest. Those congressional negotiations and subsequent legislation will likely have a significant impact on Maine income and estate taxes and will require legislative review to determine if Maine will or will not conform.



Appendix A

General Fund Summary Table

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.
Sales and Use Tax ¹	1,423,551,101	6.5%	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%
Service Provider Tax	59,601,858	-2.6%	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%
Individual Income Tax	1,595,191,847	4.7%	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%
Corporate Income Tax	185,737,065	6.0%	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%
Cigarette and Tobacco Tax ²	132,949,700	-7.8%	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%
Insurance Companies Tax	73,468,185	-4.0%	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%
Estate Tax	13,801,409	17.8%	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%
Other Taxes and Fees *	145,822,739	-1.6%	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%
Fines, Forfeits and Penalties	18,402,955	-6.1%	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%
Income from Investments	6,601,717	83.8%	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%
Transfer from Lottery Commission	62,307,123	7.0%	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%
Liquor Operations Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Transfers to Tax Relief Programs *	(65,413,185)	-2.3%	(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%
Transfers to Municipal Rev. Sharing	(69,338,529)	-6.3%	(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%
Highway Fund Sales Tax Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Other Revenue *	4,991,864	-79.8%	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%
Total - General Fund Revenue	3,587,675,847	3.8%	3,848,511,092	7.3%	3,969,343,702	3.1%	4,520,591,145	13.9%	5,391,613,569	19.3%	5,379,492,013	-0.2%

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$22.5 million in FY24; \$25.4 million in FY25; \$28.1 million in FY26; \$30.7 million in FY27; \$33.5 million in FY28 and \$36.2 million in FY29. 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; \$3.0 million in FY25; \$3.3 million in FY26; \$3.7 million in FY27; 4.0 million in FY28 and 4.3 million in FY29.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.1 million in FY24; \$19.3 million in FY25; \$20.4 million in FY26; \$21.9 million in FY27; \$23.3 million in FY28 and \$24.6 million in FY29. 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; \$2.4 million in FY26; \$2.6 million in FY27; \$2.8 million in FY28 and \$2.9 million in FY29.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Sales and Use Tax ¹	2,262,233,689	4.1%	2,252,160,559	10,073,130	0.4%	2,286,696,482	1.1%	23,400,748	2,310,097,230	2.1%
Service Provider Tax	49,629,447	-3.6%	49,234,033	395,414	0.8%	46,766,813	-5.8%	(1,845,112)	44,921,701	-9.5%
Individual Income Tax	2,388,991,095	-3.4%	2,442,073,714	(53,082,619)	-2.2%	2,454,470,720	2.7%	185,000,000	2,639,470,720	10.5%
Corporate Income Tax	459,752,873	1.9%	436,000,000	23,752,873	5.4%	428,000,000	-6.9%	17,000,000	445,000,000	-3.2%
Cigarette and Tobacco Tax ²	144,147,994	-3.8%	152,779,967	(8,631,974)	-5.6%	156,582,458	8.6%	(5,669,856)	150,912,603	4.7%
Insurance Companies Tax	108,435,700	-5.0%	118,460,000	(10,024,300)	-8.5%	124,140,000	14.5%	(180,000)	123,960,000	14.3%
Estate Tax	29,051,766	-3.5%	18,840,000	10,211,766	54.2%	27,440,000	-5.5%	11,390,000	38,830,000	33.7%
Other Taxes and Fees *	156,906,009	3.0%	145,667,406	11,238,603	7.7%	152,314,161	-2.9%	1,210,470	153,524,631	-2.2%
Fines, Forfeits and Penalties	11,890,588	12.4%	15,452,367	(3,561,779)	-23.1%	11,783,639	-0.9%	275,099	12,058,738	1.4%
Income from Investments	62,564,325	85.0%	55,102,654	7,461,671	13.5%	38,007,512	-39.3%	22,379,985	60,387,497	-3.5%
Transfer from Lottery Commission	88,673,283	23.0%	73,000,000	15,673,283	21.5%	70,000,000	-21.1%	0	70,000,000	-21.1%
Liquor Operations Fund Transfer	7,000,000	N/A	7,000,000	0	0.0%	7,000,000	0.0%	0	7,000,000	0.0%
Transfers to Tax Relief Programs *	(82,873,750)	-1.7%	(82,730,000)	(143,750)	-0.2%	(86,210,000)	-4.0%	(1,860,000)	(88,070,000)	-6.3%
Transfers to Municipal Rev. Sharing	(260,093,499)	1.3%	(263,620,964)	3,527,465	1.3%	(264,668,127)	-1.8%	(14,065,629)	(278,733,756)	-7.2%
Highway Fund Sales Tax Transfer	(107,534,228)	N/A	(107,534,228)	(0)	0.0%	(115,418,279)	-7.3%	(392,816)	(115,811,095)	-7.7%
Other Revenue *	33,987,364	179.8%	20,009,711	13,977,653	69.9%	(3,651,440)	-110.7%	11,260,441	7,609,001	-77.6%
Total - General Fund Revenue	5,352,762,655	-0.5%	5,331,895,219	20,867,436	0.4%	5,333,253,940	-0.4%	247,903,330	5,581,157,269	4.3%
								247,903,330		

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$22.5 million in FY24; \$25.4 million in FY25; \$28.1 million in FY26; \$30.7 million in FY27; \$33.5 million in FY28 and \$36.2 million in FY29. 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; \$3.0 million in FY25; \$3.3 million in FY26; \$3.7 million in

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GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast	% Chg.	FY29 Forecast	% Chg.
Sales and Use Tax ¹	2,324,465,191	1.7%	30,746,675	2,355,211,866	2.0%	2,358,085,239	1.4%	26,972,162	2,385,057,400	1.3%	2,435,439,204	2.1%	2,467,479,795	1.3%
Service Provider Tax	45,255,247	-3.2%	(2,229,046)	43,026,201	-4.2%	43,773,387	-3.3%	(2,329,249)	41,444,139	-3.7%	39,999,862	-3.3%	38,517,341	-3.7%
Individual Income Tax	2,547,321,320	3.8%	62,000,000	2,609,321,320	-1.1%	2,687,118,706	5.5%	44,000,000	2,731,118,706	4.7%	2,863,800,000	4.9%	3,024,000,000	5.6%
Corporate Income Tax	416,000,000	-2.8%	7,000,000	423,000,000	-4.9%	431,999,998	3.8%	15,000,000	446,999,998	5.7%	457,000,000	2.3%	477,000,000	4.4%
Cigarette and Tobacco Tax ²	159,546,124	1.9%	(5,715,275)	153,830,849	1.9%	161,067,270	1.0%	(7,585,480)	153,481,790	-0.2%	153,146,490	-0.2%	152,936,424	-0.1%
Insurance Companies Tax	131,030,000	5.6%	(4,070,000)	126,960,000	2.4%	136,370,000	4.1%	(4,100,000)	132,270,000	4.2%	135,610,000	2.4%	139,750,000	3.1%
Estate Tax	27,720,000	1.0%	8,320,000	36,040,000	-7.2%	27,820,000	0.4%	8,510,000	36,330,000	0.8%	35,970,000	-1.3%	39,080,000	8.6%
Other Taxes and Fees *	140,531,475	-7.7%	722,536	141,254,011	-8.0%	141,307,063	0.6%	468,876	141,775,939	0.4%	142,616,772	0.6%	143,228,936	0.4%
Fines, Forfeits and Penalties	11,783,639	0.0%	4,511,511	16,295,150	35.1%	11,783,639	0.0%	4,511,511	16,295,150	0.0%	16,295,150	0.0%	16,295,150	0.0%
Income from Investments	28,855,016	-24.1%	11,507,941	40,362,957	-33.2%	22,342,879	-22.6%	11,035,971	33,378,850	-17.3%	25,965,853	-33.2%	22,792,092	-12.2%
Transfer from Lottery Commission	70,000,000	0.0%	0	70,000,000	0.0%	70,000,000	0.0%	0	70,000,000	0.0%	70,000,000	0.0%	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%	7,000,000	0.0%	7,000,000	0.0%
Transfers to Tax Relief Programs *	(89,380,000)	-3.7%	(535,000)	(89,915,000)	-2.1%	(92,710,000)	-3.7%	777,000	(91,933,000)	-2.2%	(94,123,000)	-2.4%	(96,523,000)	-2.5%
Transfers to Municipal Rev. Sharing	(270,070,273)	-2.0%	(5,752,921)	(275,823,193)	1.0%	(279,079,267)	-3.3%	(4,321,268)	(283,400,535)	-2.7%	(292,971,755)	-3.4%	(303,317,172)	-3.5%
Highway Fund Sales Tax Transfer	(117,511,351)	-1.8%	(146,520)	(117,657,871)	-1.6%	(118,577,319)	-0.9%	(694,806)	(119,272,125)	-1.4%	(120,288,321)	-0.9%	(120,363,908)	-0.1%
Other Revenue *	(7,896,829)	-116.3%	7,167,813	(729,016)	-109.6%	(10,721,410)	-35.8%	(3,585,512)	(14,306,922)	-1862.5%	(13,006,418)	12.1%	(14,428,716)	-10.9%
Total - General Fund Revenue	5,424,649,560	1.7%	113,527,715	5,538,177,275	-0.8%	5,597,580,185	3.2%	88,659,205	5,686,239,390	2.7%	5,862,453,837	3.1%	6,063,446,943	3.4%
Change in Biennial Totals	202,186,920													

* Additional detail provided on pages 4, 5 and 6

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2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.1 million in FY24; \$19.3 million in FY25; \$20.4 million in FY26; \$21.9 million in FY27; \$23.3 million in FY28 and \$24.6 million in FY29. 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; \$2.4 million in FY26; \$2.6 million in FY27; \$2.8 million in FY28 and \$2.9 million in FY29.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.
Detail of Other Taxes and Fees:												
- Property Tax - Unorganized Territory	14,188,381	4.5%	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%
- Real Estate Transfer Tax	15,927,432	-6.6%	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%
- Liquor Taxes and Fees	23,680,230	1.9%	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%
- Corporation Fees & Licenses	11,094,542	5.3%	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%
- Telecommunications Excise Tax	6,221,980	-0.4%	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%
- Finance Industry Fees	29,201,565	-2.7%	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%
- Milk Handling Fee	4,916,070	6.6%	4,848,648	-1.4%	1,676,018	-65.4%	3,880,801	131.5%	1,208,614	-68.9%	843,990	-30.2%
- Casino and Racino Revenue	8,367,971	-3.0%	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%
- Boat, ATV and Snowmobile Fees	4,482,839	-4.9%	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%
- Hunting and Fishing License Fees	16,164,837	-0.6%	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%
- Other Miscellaneous Taxes and Fees	11,576,892	-12.7%	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%
Subtotal - Other Taxes and Fees	145,822,739	-1.6%	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%
Detail of Other Revenue:												
- Liquor Sales and Operations	50,272	-99.5%	56,150	11.7%	55,400	-1.3%	95,910	73.1%	60,024	-37.4%	43,040	-28.3%
- Targeted Case Management (HHS)	607,782	-66.6%	246,356	-59.5%	80,953	-67.1%	42,585	-47.4%	69,206	62.5%	59,861	-13.5%
- State Cost Allocation Program	17,229,423	-11.5%	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%
- Unclaimed Property Transfer	6,565,469	13.8%	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%
- Tourism Transfer	(16,076,758)	-10.2%	(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%
- Transfer to Maine Milk Pool	(15,857,558)	-4.1%	(15,220,840)	4.0%	(9,921,284)	34.8%	(12,438,556)	-25.4%	(4,335,131)	65.1%	(914,348)	78.9%
- Transfer to Multimodal Transportation Fund	(8,899,944)	-12.5%	(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%
- Transfer to Adult-Use Cannabis Fund	0	N/A	0	N/A	0	N/A	(477,712)	N/A	(2,093,260)	-338.2%	(3,696,141)	-76.6%
- Other Miscellaneous Revenue	21,373,178	-16.4%	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%
Subtotal - Other Revenue	4,991,864	-79.8%	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%
Detail of Transfers to Tax Relief Programs:												
- Maine Resident Property Tax Program	35,130	158.3%	(12,497)	-135.6%	47,546	480.5%	(15,504)	-132.6%	2,711	117.5%	(874)	-132.2%
- BETR - Business Equip. Tax Reimb.	(29,863,832)	5.2%	(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%
- BETE - Municipal Bus. Equip. Tax Reimb.	(35,584,483)	-9.9%	(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%
Subtotal - Tax Relief Transfers	(65,413,185)	-2.3%	(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%
IF&W Total Revenue **	21,596,400	-1.9%	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%

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

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	16,321,136	9.9%	15,931,051	390,085	2.4%	14,883,223	-8.8%	0	14,883,223	-8.8%
- Real Estate Transfer Tax	20,437,759	-8.6%	20,603,062	(165,303)	-0.8%	20,444,062	0.0%	486,404	20,930,466	2.4%
- Liquor Taxes and Fees	22,862,060	1.9%	22,093,824	768,236	3.5%	22,093,824	-3.4%	0	22,093,824	-3.4%
- Corporation Fees & Licenses	14,789,886	-3.0%	12,643,649	2,146,237	17.0%	12,643,649	-14.5%	0	12,643,649	-14.5%
- Telecommunications Excise Tax	1,000,555	-83.3%	100,000	900,555	900.6%	6,300,000	529.7%	325,000	6,625,000	562.1%
- Finance Industry Fees	26,321,505	-4.1%	26,107,610	213,895	0.8%	25,916,990	-1.5%	(561,990)	25,355,000	-3.7%
- Milk Handling Fee	1,286,075	52.4%	1,091,825	194,250	17.8%	816,000	-36.6%	23,092	839,092	-34.8%
- Casino and Racino Revenue	11,353,286	2.0%	11,544,980	(191,694)	-1.7%	12,054,447	6.2%	(236,021)	11,818,426	4.1%
- Boat, ATV and Snowmobile Fees	5,277,372	29.8%	4,559,561	717,811	15.7%	4,559,561	-13.6%	0	4,559,561	-13.6%
- Hunting and Fishing License Fees	20,405,431	31.1%	15,992,906	4,412,525	27.6%	15,992,906	-21.6%	0	15,992,906	-21.6%
- Other Miscellaneous Taxes and Fees	16,850,943	35.7%	14,998,938	1,852,005	12.3%	16,609,500	-1.4%	1,173,985	17,783,485	5.5%
Subtotal - Other Taxes and Fees	156,906,009	3.0%	145,667,406	11,238,603	7.7%	152,314,161	-2.9%	1,210,470	153,524,631	-2.2%
Detail of Other Revenue:										
- Liquor Sales and Operations	185,341	330.6%	28,500	156,841	550.3%	28,500	-84.6%	0	28,500	-84.6%
- Targeted Case Management (HHS)	25,387	-57.6%	44,000	(18,613)	-42.3%	44,000	73.3%	(44,000)	0	-100.0%
- State Cost Allocation Program	22,482,919	11.7%	21,186,402	1,296,518	6.1%	26,436,802	17.6%	0	26,436,802	17.6%
- Unclaimed Property Transfer	38,114,023	373.8%	29,800,000	8,314,023	27.9%	0	-100.0%	8,000,000	8,000,000	-79.0%
- Tourism Transfer	(23,457,942)	-5.9%	(24,202,942)	745,000	3.1%	(25,473,693)	-8.6%	385,362	(25,088,330)	-7.0%
- Transfer to Maine Milk Pool	(6,957,404)	-660.9%	(6,770,677)	(186,727)	-2.8%	(8,923,549)	-28.3%	5,850,368	(3,073,181)	55.8%
- Transfer to Multimodal Trans. Fund	(15,151,926)	-2.6%	(15,151,927)	0	0.0%	(16,698,701)	-10.2%	138,121	(16,560,580)	-9.3%
- Transfer to Adult-Use Cannabis Fund	(4,658,705)	-26.0%	(4,626,460)	(32,244)	-0.7%	(4,328,583)	7.1%	334,922	(3,993,661)	14.3%
- Other Miscellaneous Revenue	23,405,671	-7.9%	19,702,816	3,702,855	18.8%	25,263,784	7.9%	(3,404,333)	21,859,451	-6.6%
Subtotal - Other Revenue	33,987,364	179.8%	20,009,711	13,977,653	69.9%	(3,651,440)	-110.7%	11,260,441	7,609,001	-77.6%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Program	424	148.5%	0	424	N/A	0	-100.0%	0	0	-100.0%
- BETR - Bus. Equip. Tax Reimb.	(18,095,129)	3.1%	(18,000,000)	(95,129)	-0.5%	(17,000,000)	6.1%	(340,000)	(17,340,000)	4.2%
- BETE - Mun. Bus. Equip. Tax Reimb	(64,779,045)	-3.1%	(64,730,000)	(49,045)	-0.1%	(69,210,000)	-6.8%	(1,520,000)	(70,730,000)	-9.2%
Subtotal - Tax Relief Transfers	(82,873,750)	-1.7%	(82,730,000)	(143,750)	-0.2%	(86,210,000)	-4.0%	(1,860,000)	(88,070,000)	-6.3%
IF&W Total Revenue **	26,669,753	28.9%	21,505,862	5,163,891	24.0%	21,501,695	-19.4%	11,653	21,513,348	-19.3%

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

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast	% Chg.	FY29 Forecast	% 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%	14,883,223	0.0%	14,883,223	0.0%
- Real Estate Transfer Tax	11,295,781	-44.7%	(316,354)	10,979,427	-47.5%	11,894,281	5.3%	(655,006)	11,239,275	2.4%	11,692,514	3.8%	12,186,367	4.2%
- Liquor Taxes and Fees	22,093,824	0.0%	0	22,093,824	0.0%	22,093,824	0.0%	0	22,093,824	0.0%	22,093,824	0.0%	22,093,824	0.0%
- Corporation Fees & Licenses	12,643,649	0.0%	0	12,643,649	0.0%	12,643,649	0.0%	0	12,643,649	0.0%	12,643,649	0.0%	12,643,649	0.0%
- Telecommunications Excise Tax	6,300,000	0.0%	700,000	7,000,000	5.7%	6,250,000	-0.8%	750,000	7,000,000	0.0%	7,000,000	0.0%	7,000,000	0.0%
- Finance Industry Fees	25,916,990	0.0%	(561,990)	25,355,000	0.0%	25,916,990	0.0%	(561,990)	25,355,000	0.0%	25,355,000	0.0%	25,355,000	0.0%
- Milk Handling Fee	1,088,000	33.3%	(272,000)	816,000	-2.8%	1,088,000	0.0%	(272,000)	816,000	0.0%	1,088,000	25.0%	1,088,000	0.0%
- Casino and Racino Revenue	12,166,630	0.9%	(98,033)	12,068,597	2.1%	12,274,029	0.9%	(65,218)	12,208,811	1.2%	12,324,059	0.9%	12,442,079	1.0%
- 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%	4,559,561	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%	15,992,906	0.0%	15,992,906	0.0%
- Other Miscellaneous Taxes and Fees	13,590,911	-18.2%	1,270,913	14,861,824	-16.4%	13,710,600	0.9%	1,273,090	14,983,690	0.8%	14,984,036	0.0%	14,984,327	0.0%
Subtotal - Other Taxes and Fees	140,531,475	-7.7%	722,536	141,254,011	-8.0%	141,307,063	0.6%	468,876	141,775,939	0.4%	142,616,772	0.6%	143,228,936	0.4%
Detail of Other Revenue:														
- Liquor Sales and Operations	28,500	0.0%	0	28,500	0.0%	28,500	0.0%	0	28,500	0.0%	28,500	0.0%	28,500	0.0%
- Targeted Case Management (HHS)	44,000	0.0%	(44,000)	0	N/A	44,000	0.0%	(44,000)	0	N/A	0	0.0%	0	N/A
- 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%	26,436,802	0.0%	26,436,802	0.0%
- Unclaimed Property Transfer	6,000,000	N/A	0	6,000,000	-25.0%	6,000,000	0.0%	0	6,000,000	0.0%	6,000,000	0.0%	6,000,000	0.0%
- Tourism Transfer	(25,985,058)	-2.0%	(106,231)	(26,091,290)	-4.0%	(26,411,665)	-1.6%	(350,159)	(26,761,824)	-2.6%	(27,534,196)	-2.9%	(28,419,530)	-3.2%
- Transfer to Maine Milk Pool	(18,597,729)	-108.4%	12,074,687	(6,523,042)	-112.3%	(20,329,174)	-9.3%	877,042	(19,452,132)	-198.2%	(19,899,952)	-2.2%	(19,832,157)	0.3%
- Transfer to Multimodal Trans. Fund	(16,229,366)	2.8%	(1,152,503)	(17,381,869)	-5.0%	(16,358,949)	-0.8%	(768,314)	(17,127,262)	1.5%	(17,421,033)	-1.8%	(17,702,780)	-1.6%
- Transfer to Adult-Use Cannabis Fund	(4,857,761)	-12.2%	723,258	(4,134,503)	-3.5%	(5,394,708)	-11.1%	1,027,316	(4,367,392)	-5.6%	(4,692,926)	-6.0%	(5,015,937)	-6.9%
- Other Miscellaneous Revenue	25,263,784	0.0%	(4,327,397)	20,936,387	-4.2%	25,263,784	0.0%	(4,327,397)	20,936,387	0.0%	24,076,387	12.4%	24,076,387	0.0%
Subtotal - Other Revenue	(7,896,829)	-116.3%	7,167,813	(729,016)	-109.6%	(10,721,410)	-35.8%	(3,585,512)	(14,306,922)	-1862.5%	(13,006,418)	12.1%	(14,428,716)	-10.9%
Detail of Transfers to Tax Relief Programs:														
- Maine Resident Property Tax Program	0	N/A	0	0	N/A	0	N/A	0	0	N/A	0	N/A	0	N/A
- BETR - Business Equip. Tax Reimb.	(16,000,000)	5.9%	(319,000)	(16,319,000)	5.9%	(15,000,000)	6.3%	(358,000)	(15,358,000)	5.9%	(14,454,000)	6.0%	(13,603,000)	5.9%
- BETE - Municipal Bus. Equip. Tax Reimb.	(73,380,000)	-6.0%	(216,000)	(73,596,000)	-4.1%	(77,710,000)	-5.9%	1,135,000	(76,575,000)	-4.0%	(79,669,000)	-4.0%	(82,920,000)	-4.1%
Subtotal - Tax Relief Transfers	(89,380,000)	-3.7%	(535,000)	(89,915,000)	-2.1%	(92,710,000)	-3.7%	777,000	(91,933,000)	-2.2%	(94,123,000)	-2.4%	(96,523,000)	-2.5%
IF&W Total Revenue **	21,499,868	0.0%	14,553	21,514,421	0.0%	21,497,981	0.0%	16,730	21,514,711	0.0%	21,515,057	0.0%	21,515,348	0.0%

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



Appendix B

Highway Fund Summary Table

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY 21 Actual	% Chg.	FY 22 Actual	% Chg.	FY23 Actual	% Chg.
Fuel Taxes												
- Gasoline Tax	206,410,302	2.4%	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%
- Special Fuel and Road Use Taxes	43,150,896	-14.3%	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%
- Transcap Transfers - Fuel Taxes	(18,398,369)	1.0%	(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%
- Other Fund Gasoline Tax Distributions	(5,166,427)	-2.0%	(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%
Subtotal - Fuel Taxes	225,996,401	-1.0%	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%
Motor Vehicle Registration and Fees												
- Motor Vehicle Registration Fees	68,660,358	0.5%	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%
- License Plate Fees	3,747,816	1.0%	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%
- Long-term Trailer Registration Fees	13,279,792	12.8%	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%
- Title Fees	14,526,092	1.6%	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%
- Motor Vehicle Operator License Fees	8,752,147	-2.3%	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%
- Transcap Transfers - Motor Vehicle Fees	(16,191,340)	-0.6%	(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%
Subtotal - Motor Vehicle Reg. & Fees	92,774,864	2.0%	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%
Motor Vehicle Inspection Fees	3,373,100	N/A	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%
Other Highway Fund Taxes and Fees	1,490,993	8.2%	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%
Fines, Forfeits and Penalties	724,478	0.7%	610,373	-15.7%	899,735	47.4%	1,248,923	38.8%	1,381,965	10.7%	1,212,226	-12.3%
Income from Investments	326,847	-6.2%	893,027	173.2%	257,790	-71.1%	305,414	18.5%	189,723	-37.9%	705,724	272.0%
Highway Fund Sales Tax Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Liquor Operations Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Other Highway Fund Revenues	10,943,111	19.1%	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%
Total - Highway Fund Revenue	335,629,795	1.4%	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%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	% Chg.	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Fuel Taxes											
- Gasoline Tax	198,850,620	1.4%	195,302,784	-0.4%	3,547,836	1.8%	192,260,028	-3.3%	8,629,418	200,889,446	1.0%
- Special Fuel and Road Use Taxes	46,914,672	-4.9%	47,892,186	-2.9%	(977,514)	-2.0%	49,545,568	5.6%	(604,855)	48,940,713	4.3%
- Transcap Transfers - Fuel Taxes	(24,651,245)	-36.6%	(24,426,881)	-35.4%	(224,364)	-0.9%	(24,211,650)	1.8%	(881,018)	(25,092,668)	-1.8%
- Other Fund Gasoline Tax Distributions	(5,145,342)	-5.0%	(4,883,935)	0.4%	(261,407)	-5.4%	(5,594,381)	-8.7%	570,739	(5,023,642)	2.4%
Subtotal - Fuel Taxes	215,968,705	-2.9%	213,884,154	-3.8%	2,084,551	1.0%	211,999,565	-1.8%	7,714,284	219,713,849	1.7%
Motor Vehicle Registration and Fees											
- Motor Vehicle Registration Fees	73,407,359	0.0%	70,669,954	-3.7%	2,737,405	3.9%	70,669,954	-3.7%	0	70,669,954	-3.7%
- License Plate Fees	4,585,007	11.6%	3,662,986	-10.9%	922,021	25.2%	3,664,608	-20.1%	750,000	4,414,608	-3.7%
- Long-term Trailer Registration Fees	16,993,165	-7.4%	15,034,523	-18.0%	1,958,642	13.0%	15,034,523	-11.5%	0	15,034,523	-11.5%
- Title Fees	15,091,886	-1.5%	14,233,286	-7.1%	858,600	6.0%	14,202,449	-5.9%	0	14,202,449	-5.9%
- Motor Vehicle Operator License Fees	10,977,181	-11.8%	10,558,098	-15.2%	419,083	4.0%	10,558,098	-3.8%	(75,000)	10,483,098	-4.5%
- Transcap Transfers - Motor Vehicle Fees	(16,768,964)	-0.1%	(16,606,839)	0.9%	(162,125)	-1.0%	(16,591,434)	1.1%	0	(16,591,434)	1.1%
Subtotal - Motor Vehicle Reg. & Fees	104,285,634	-2.4%	97,552,008	-8.7%	6,733,626	6.9%	97,538,198	-6.5%	675,000	98,213,198	-5.8%
Motor Vehicle Inspection Fees	3,086,749	-1.6%	3,002,500	-4.3%	84,249	2.8%	3,202,500	3.7%	0	3,202,500	3.7%
Other Highway Fund Taxes and Fees	1,774,184	4.3%	1,416,470	-16.7%	357,714	25.3%	1,416,470	-20.2%	0	1,416,470	-20.2%
Fines, Forfeits and Penalties	1,090,913	-10.0%	606,412	-50.0%	484,501	79.9%	606,412	-44.4%	0	606,412	-44.4%
Income from Investments	2,762,727	291.5%	2,327,029	229.7%	435,698	18.7%	1,974,719	-28.5%	2,422,418	4,397,137	59.2%
Highway Fund Sales Tax Transfer	107,534,228	N/A	107,534,228	N/A	0	N/A	115,418,279	7.3%	392,816	115,811,095	7.7%
Liquor Operations Fund Transfer	60,146,757	N/A	59,000,000	N/A	1,146,757	N/A	59,000,000	-1.9%	0	59,000,000	-1.9%
Other Highway Fund Revenues	14,219,242	5.3%	13,793,024	2.2%	426,218	3.1%	12,404,465	-12.8%	0	12,404,465	-12.8%
Total - Highway Fund Revenue	510,869,139	46.2%	499,115,825	42.8%	11,753,314	2.4%	503,560,608	-1.4%	11,204,518	514,765,126	0.8%
Change in Biennial Totals									11,204,518		

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast Revised	% Chg.	FY29 Forecast Revised	% Chg.
Fuel Taxes														
- Gasoline Tax	190,906,696	-0.7%	10,776,759	201,683,455	0.4%	189,508,956	-0.7%	12,388,698	201,897,654	0.1%	202,112,370	0.1%	202,327,605	0.1%
- Special Fuel and Road Use Taxes	49,899,325	0.7%	(2,195,664)	47,703,661	-2.5%	50,124,592	0.5%	(2,255,922)	47,868,670	0.3%	48,034,413	0.3%	48,200,868	0.3%
- Transcap Transfers - Fuel Taxes	(24,113,231)	0.4%	(931,990)	(25,045,221)	0.2%	(23,997,220)	0.5%	(1,086,313)	(25,083,533)	-0.2%	(25,121,987)	-0.2%	(25,160,559)	-0.2%
- Other Fund Gasoline Tax Distributions	(5,555,002)	0.7%	511,505	(5,043,497)	-0.4%	(5,514,331)	0.7%	465,476	(5,048,855)	-0.1%	(5,054,223)	-0.1%	(5,059,607)	-0.1%
Subtotal - Fuel Taxes	211,137,788	-0.4%	8,160,610	219,298,398	-0.2%	210,121,997	-0.5%	9,511,939	219,633,936	0.2%	219,970,573	0.2%	220,308,307	0.2%
Motor Vehicle Registration and Fees														
- Motor Vehicle Registration Fees	70,669,954	0.0%	0	70,669,954	0.0%	70,669,954	0.0%	0	70,669,954	0.0%	70,669,954	0.0%	70,669,954	0.0%
- License Plate Fees	3,664,608	0.0%	0	3,664,608	-17.0%	3,664,608	0.0%	0	3,664,608	0.0%	3,664,608	0.0%	3,664,608	0.0%
- Long-term Trailer Registration Fees	15,034,523	0.0%	0	15,034,523	0.0%	15,034,523	0.0%	0	15,034,523	0.0%	15,034,523	0.0%	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%	14,202,449	0.0%	14,202,449	0.0%
- Motor Vehicle Operator License Fees	10,558,098	0.0%	(75,000)	10,483,098	0.0%	10,558,098	0.0%	(75,000)	10,483,098	0.0%	10,483,098	0.0%	10,483,098	0.0%
- Transcap Transfers - Motor Vehicle Fees	(16,591,434)	0.0%	0	(16,591,434)	0.0%	(16,591,434)	0.0%	0	(16,591,434)	0.0%	(16,591,434)	0.0%	(16,591,434)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	97,538,198	0.0%	(75,000)	97,463,198	-0.8%	97,538,198	0.0%	(75,000)	97,463,198	0.0%	97,463,198	0.0%	97,463,198	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%	3,202,500	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%	1,416,470	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%	606,412	0.0%	606,412	0.0%
Income from Investments	1,367,179	-30.8%	1,669,187	3,036,366	-30.9%	860,359	-37.1%	1,491,223	2,351,582	-22.6%	1,737,726	-26.1%	1,423,120	-18.1%
Highway Fund Sales Tax Transfer	117,511,351	1.8%	146,520	117,657,871	1.6%	118,577,319	0.9%	694,806	119,272,125	1.4%	120,288,321	0.9%	120,363,908	0.1%
Liquor Operations Fund Transfer	59,000,000	0.0%	0	59,000,000	0.0%	59,000,000	0.0%	0	59,000,000	0.0%	59,000,000	0.0%	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%	12,404,465	0.0%	12,404,465	0.0%
Total - Highway Fund Revenue	504,184,363	0.1%	9,901,317	514,085,680	-0.1%	503,727,720	-0.1%	11,622,968	515,350,688	0.2%	516,089,665	0.1%	516,188,380	0.0%
Change in Biennial Totals	21,524,285													



Appendix C

Fund for a Healthy Maine Summary **Table**

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT PAYMENTS)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.
Tobacco Settlement Payments:												
- Base Payments *	46,658,590	9.6%	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%
- One-time DPA Settlements **	21,242,331	N/A	32,488,828	52.9%	0	-100.0%	0	N/A	0	N/A	0	N/A
- Strategic Contribution Payments ***	0	-100.0%	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Subtotal TSPs	67,900,922	32.2%	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%
Casino Revenue ****	3,680,035	-3.1%	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%
Income from Investments	146,419	196.1%	583,469	298.5%	496,816	-14.9%	115,798	-76.7%	160,121	38.3%	791,384	394.2%
Other Adjustments *****	0	N/A	0	N/A	0	N/A	(994,035)	N/A	272,464	127.4%	124,498	-54.3%
Total - FHM Revenue	71,727,375	29.9%	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%

* 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 26, FY 27, FY 28 and FY 29. Without this assumed withholding, the estimates would increase by an estimated \$12 million in all years.

** FY19 includes a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

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

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

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

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT PAYMENTS)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Var.
Tobacco Settlement Payments:										
- Base Payments *	46,561,422	-10.9%	31,768,790	14,792,632	46.6%	30,175,419	-35.2%	11,119,972	41,295,391	30.0%
- 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	46,561,422	-10.9%	31,768,790	14,792,632	46.6%	30,175,419	-35.2%	11,119,972	41,295,391	30.0%
Casino Revenue ****	4,641,248	3.0%	5,091,469	(450,221)	-8.8%	5,594,689	20.5%	(371,602)	5,223,087	2.6%
Income from Investments	1,909,645	141.3%	1,704,444	205,201	12.0%	945,007	-50.5%	866,434	1,811,441	6.3%
Other Adjustments *****	92,523	-25.7%	0	92,523	N/A	0	-100.0%	0	0	N/A
Total - FHM Revenue	53,204,838	-7.7%	38,564,703	14,640,135	12.0%	36,715,115	-31.0%	11,614,804	48,329,919	25.3%
Change in Biennial Totals								11,614,804		

* 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 26, FY 27, FY 28 and FY 29. Without this assumed withholding, the estimates would increase by an estimated \$12 million in all years.

** FY19 includes a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

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

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

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

FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT PAYMENTS)

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast	% Chg.	FY29 Forecast	% Chg.
Tobacco Settlement Payments:														
- Base Payments *	29,306,494	-2.9%	(3,155,372)	26,151,122	-36.7%	29,306,494	0.0%	(6,087,337)	23,219,157	-11.2%	23,219,157	0.0%	23,219,157	0.0%
- One-time DPA Settlements *	0	N/A	0	0	N/A	0	N/A	0	0	N/A	0	N/A	0	N/A
- Strategic Contribution Payments **	0	N/A	0	0	N/A	0	N/A	0	0	N/A	0	N/A	0	N/A
Subtotal TSPs	29,306,494	-2.9%	(3,155,372)	26,151,122	-36.7%	29,306,494	0.0%	(6,087,337)	23,219,157	-11.2%	23,219,157	0.0%	23,219,157	0.0%
Casino Revenue ****	5,595,248	0.0%	55,262	5,650,510	8.2%	5,595,808	0.0%	111,207	5,707,015	1.0%	5,764,085	1.0%	5,821,726	1.0%
Income from Investments	630,219	-33.3%	79,205	709,424	-60.8%	381,885	-39.4%	53,756	435,641	-38.6%	328,841	-24.5%	222,041	-32.5%
Other Adjustments *****	0	N/A	0	0	N/A	0	N/A	0	0	N/A	0	N/A	0	N/A
Total - FHM Revenue	35,531,961	-3.2%	(3,020,905)	32,511,056	-32.7%	35,284,187	-0.7%	(5,922,374)	29,361,813	-9.7%	29,312,083	-0.2%	29,262,924	-0.2%
Change in Biennial Totals	(8,943,278)													

* 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 26, FY 27, FY 28 and FY 29. Without this assumed withholding, the estimates would increase by an estimated \$12 million in all years.

** FY19 includes a “one-time” settlement payment from tobacco manufacturers to settle the NPM Adjustment dispute for the years 2004 through 2017.

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

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

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



Appendix D

Medicaid/MaineCare Dedicated Revenue Taxes Summary Table

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.
Nursing Facility Tax	33,755,577	-6.7%	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%
Residential Treatment Facility (ICFs/MR) Tax	2,078,079	7.2%	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%
Hospital Tax *	103,355,698	8.8%	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%
Service Provider Tax - Private Non-Medical Institutions (PNMIs) **	45,960,421	5.1%	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%
Total - Health Care Provider Taxes	185,149,775	4.7%	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%

* 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 - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Nursing Facility Tax	44,811,586	5.8%	43,500,000	1,311,586	3.0%	51,315,283	14.5%	(3,639,290)	47,675,993	6.4%
Residential Treatment Facility (ICFs/MR) Tax	3,950,286	29.9%	3,596,000	354,286	9.9%	3,596,000	-9.0%	0	3,596,000	-9.0%
Hospital Tax *	125,773,075	0.9%	127,706,538	(1,933,463)	-1.5%	151,770,910	20.7%	0	151,770,910	20.7%
Service Provider Tax - Private Non-Medical Institutions (PNMIs) **	63,133,811	9.3%	60,593,300	2,540,511	4.2%	38,122,604	-39.6%	0	38,122,604	-39.6%
Total - Health Care Provider Taxes	237,668,758	4.3%	235,395,838	2,272,920	1.0%	244,804,797	3.0%	(3,639,290)	241,165,507	1.5%
Change in Biennial Totals								(3,639,290)		

* 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 - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast	% Chg.	FY29 Forecast	% Chg.
Nursing Facility Tax	46,414,371	-9.6%	1,455,716	47,870,087	0.4%	46,414,371	0.0%	1,455,716	47,870,087	0.0%	47,870,087	0.0%	47,870,087	0.0%
Residential Treatment Facility (ICFs/MR) Tax	3,596,000	0.0%	0	3,596,000	0.0%	3,596,000	0.0%	0	3,596,000	0.0%	3,596,000	0.0%	3,596,000	0.0%
Hospital Tax *	151,770,910	0.0%	0	151,770,910	0.0%	151,770,910	0.0%	0	151,770,910	0.0%	151,770,910	0.0%	151,770,910	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs) **	0	-100.0%	0	0	-100.0%	0	-100.0%	0	0	-100.0%	0	N/A	0	N/A
Total - Health Care Provider Taxes	201,781,281	-17.6%	1,455,716	203,236,997	-15.7%	201,781,281	0.0%	1,455,716	203,236,997	0.0%	203,236,997	0.0%	203,236,997	0.0%
Change in Biennial Totals								2,911,432						

* 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**

November 1, 2024

**Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
November 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 October 25, 2024, to review and revise its forecast through 2029. This meeting builds on the Commission's forecast update of February 1, 2024, incorporating the most recent updates available for all relevant baseline data. This includes revised actual values, including revisions to personal income through 2023 from the U.S. Bureau of Economic Analysis (BEA). This report provides a summary of the Commission's findings. Prior to its fall forecasting meeting the CEFC held an information gathering session, a summary of which is available online.

The CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. Net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains. The CEFC noted that inflation has moderated and the Federal Reserve, in its mission to find a 'soft landing', is expected to continue pursuing policies that will constrain inflation to its target levels. Overall, employment in the health care and social assistance sector has recovered and is slightly above pre-pandemic levels. However, some subsectors – like hospitals and nursing residential care facilities – are facing labor shortages and financial struggles. Demographic changes, a possible slowdown in job openings, and global geopolitical tensions were among the key risks to continued economic growth identified by the CEFC.

The Commission's forecast for wage and salary employment was left unchanged for all forecast years based on information from the Maine Department of Labor.

The Commission revised its forecast for total personal income growth in 2024 up from 4.7% to 5.3%. The forecast for 2025 was left unchanged (4.4%). The Commission made slight upward revisions for all remaining forecast years, going from 4.3% to 4.4% in 2026, 4.2% to 4.4% in 2027, 4.2% to 4.3% in 2028, and from 4.2% to 4.3% in 2029.

For all components of personal income, revisions for 2024 were informed by the growth as reported by the U.S. Bureau of Economic Analysis for the first two quarters of 2024 relative to the same period in 2023.

The forecast for wage and salary income growth was revised up for 2024 from 5.0% to 6.0%. The Commission left the rest of the forecast years unchanged.

The forecast for growth in supplements to wages and salaries was revised up from 3.5% to 6.5% in 2024. The remaining years of the forecast were revised upwards to more closely align with forecasts from Moody's Analytics and S&P. The Commission revised their forecasts from 3.5% to 4.0% in 2025 and 2026, and from 3.0% to 3.5% for 2027-2029.

The forecast for nonfarm proprietor's income growth was revised up from 5.0% to 6.0% for 2024. The remaining years of the forecast were all revised upwards from 3.0% to 4.0% to more closely align with forecasts from Moody's Analytics and S&P.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2024 from 5.5% to 6.0%. The Commission left the rest of the forecast years unchanged.

The forecast for personal current transfer receipts growth was revised downward for 2024 from 3.5% to 2.3%. The Commission left the rest of the forecast years unchanged.

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 left their forecast of annual inflation unchanged for all forecast years.

The forecast for corporate profits was revised upwards in 2024 from 1.0% to 9.0% based on data from the U.S. Bureau of Economic Analysis, and to more closely align with forecasts from Moody's Analytics and S&P. The Commission left the rest of the forecast years unchanged.

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

Calendar Years	2023	2024	2025	2026	2027	2028	2029
Wage & Salary Employment (Annual Percentage Change)							
CEFC Forecast 02/2024	1.8	0.8	0.4	0.2	0.1	0.1	0.1
CEFC Forecast 11/2024	1.8	0.8	0.4	0.2	0.1	0.1	0.1
Personal Income (Annual Percentage Change)							
CEFC Forecast 02/2024	5.1	4.7	4.4	4.3	4.2	4.2	4.2
CEFC Forecast 11/2024	6.0	5.3	4.4	4.4	4.4	4.3	4.3
Wage and Salary Income (Annual Percentage Change)							
CEFC Forecast 02/2024	6.1	5.0	4.0	4.0	4.0	4.0	4.0
CEFC Forecast 11/2024	5.4	6.0	4.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)							
CEFC Forecast 02/2024	4.1	2.7	2.4	2.3	2.2	2.2	2.2
CEFC Forecast 11/2024	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.

Maine's total personal income increased by 4.4% at a seasonally adjusted, annualized rate (SAAR) in the second quarter of 2024, following a 10.1% increase in the first quarter. Wage and salary income, the largest component of personal income, grew 4.7% in the second quarter of 2024 while dividends, interest and rent increased 1.8% (SAAR) in the second quarter and transfer receipts increased by 6.4%. Maine's growth in transfer receipts was higher than in New England (2.9%) and in the U.S. (6.1%). Meanwhile, real GDP for Maine grew to just over \$77 billion in the second quarter of 2024.

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 2.4% in September before seasonal adjustment. On September 18, the

Federal Reserve Federal Open Market Committee cut its target interest rate by 0.5%. This was their first rate cut since 2020.

The University of Michigan Consumer Sentiment Index was up 3.2% in September. There were improvements in all five components of the index and improvements were seen across all education groups and political affiliations. Sentiment remains below the historical average in part due to high prices, but perceptions of future inflation are becoming more optimistic. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was down 2.7% in August, and little changed (-0.1%) from a year ago. Small business owners reported higher levels of uncertainty, while sales expectations and profit trends fell during the month. Inflation remains the top concern for business owners.

The price of a gallon of gasoline in New England was an average of \$3.18 during the week of October 14, about \$0.54 less than a year ago. The statewide average cash price of No. 2 heating oil in Maine was \$3.256/gal in the second week (October 14) of the 2024-2025 heating oil season, 18.5% lower than the same week of last year.

Single-family existing-home sales were up 1.7% year-over-year in August and prices continued to increase (7.5%). In the second quarter of 2024, Maine's year-over-year growth in the house price index (HPI) was 6.3% (seasonally adjusted), 23rd in the nation for year-over-year growth and last in New England.

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

Maine Department of Labor, Center for Workforce Research and Information

The labor market continues to return toward the situation that prevailed prior to onset of the pandemic. Unemployment is stable and low – below four percent for 34 consecutive months – and job openings have trended down to rates similar to those in 2018 and 2019. Other than business cycle patterns that may emerge, openings rates could remain higher than they were a decade or more ago because the number of people reaching retirement is larger.

Nonfarm jobs are up from previous periods – there are about 19,000 more than at the beginning of 2020 – though growth has slowed after the recovery. Through the first nine months of 2024 there has been little job change – a pattern that is generally confirmed by the lagging complete count these estimates will be benchmarked to in annual revisions in March. The sharp upward trend in the number of employer establishments that emerged three years ago returned in the first half of this year after stalling through much of last year. Many of these new establishments represent a single job stemming from rising numbers of remote workers.

Despite little change in jobs this year, total wages paid continue to increase. Recent gains in the five percent range exceed most periods prior to 2021 when job growth was stronger. This has driven average wages up, with strong gains reemerging after slowing through much of 2023.

In the period from 2019 to 2023 the increase in average wages in Maine exceeded the nation – 28 percent compared to 22 percent – and exceeded the increase in the Consumer Price Index – 19 percent. This pattern was widespread across our economy. In nearly every sector the average wage in Maine increased at a faster rate than nationally and faster than inflation. Strong demand relative to supply accounted for about two-thirds of the wage gains here. The other third was from a compositional shift in the share of jobs toward higher-paying industries. Rising numbers of remote workers contributed to the sharper gains in

the professional and business services and the information sectors. The competitive landscape for attracting workers contributed to sharper gains in hospitality industries (which lagged others getting back to pre-pandemic staffing levels). Those three sectors had the highest rates of wage gains, and they most sharply exceeded national gains, along with utilities.

The number of restaurant closures in the news recently has been notable, both in Maine and elsewhere. Through September there has not been significant change in the number of hospitality jobs – we will monitor the situation to see if a new employment trend develops.

The presentation is available at maine.gov/labor/cwri/publications/pdf/CEFC_October2024.pdf

Maine Revenue Services - Office of Tax Policy (OTP)

General Fund revenue ended fiscal year 2024 \$20.9 million (0.4 percent) over budget. General Fund revenues were down \$26.7 million (0.5 percent) compared to fiscal year 2023 partly from the recently enacted semiannual transfer (July and October) of General Fund sales tax revenue from automobile sales to the Highway Fund (\$107.5 million) and partly from individual income tax receipts ending the fiscal year under budget by \$53.1 million (2.2 percent) and \$84.5 million (3.4 percent) below fiscal year 2023. The reason for the relatively large negative budget variance and year-over-year (YOY) decline in individual income tax receipts was a timing issue associated with the deferral of tax filings and payments in April and June because of the January natural disaster extension until July provided by the Internal Revenue Service and Maine Revenue Services.

Through the first quarter of fiscal year 2025, GF revenue is over budget by \$132.0 million (9.4 percent) and has increased by \$170.1 million (12.4 percent) compared to a year ago. \$138.4 million of the YOY revenue growth is from individual income tax, while sales, corporate income, and estate taxes each contribute an additional \$14 million to the YOY growth. After a review of July individual income tax receipts, it appears that approximately \$80 million of final and estimated payments were shifted from fiscal year 2024 into fiscal year 2025 because of the payment extension associated with the January winter storm.

Sales and use taxes through the first quarter of fiscal year 2025 are \$2.8 million over budget (0.4 percent) and are up \$14.5 million (2.2 percent) over the first quarter of fiscal year 2024. Like the national data on retail sales, the YOY growth in Maine taxable sales have slowed considerably over the last 18 months. For the 12-month period ending March 31, 2024, YOY taxable sales growth averaged 3.2 percent and since the start of the second quarter of calendar year 2024 has averaged only 1.3 percent. The current revenue forecast assumes an average annual growth in the sales and use tax revenue line of less than 1.5 percent over fiscal years 2025-27. The Maine sales tax base is heavily reliant on goods, especially automobile and building supply store sales. The shift by consumers back to untaxed services, along with falling prices for durable and nondurable goods are the main reasons for the weak growth in sales and use tax receipts over the current forecast period.

Individual income tax receipts are \$104.9 million (16.3 percent) over budget for the fiscal year. Withholding receipts are \$17.6 million over budget through the first quarter of fiscal year 2024. Most of that year-to-date variance (\$16.4 million) came in September. Adjusting for large withholding payments in March 2023, withholding receipts for the first nine months of calendar year 2024 are up a solid 5.73 percent compared to the same period last year. The third estimated payment for tax year 2024 was due September 16th and increased 2.1 percent compared to last September. Through September, individual estimated payments for tax year 2024 are up 9.3 percent, above the 5.0 growth assumed in the March 1, 2024, revenue forecast. Non-wage income, which includes capital gains realizations, are likely growing faster than estimated earlier this year. The final estimated payment for individuals is due January 15, 2025,

and that estimated payment will provide important information about final payments for tax year 2024 due next April.

Corporate income tax revenue is \$15.8 million (15.6 percent) over budget through September and \$13.4 million (12.9 percent) higher than fiscal year 2023. Most of the year-to-date corporate budget variance came in July when receipts were \$12.4 million (75.1 percent) over budget and were \$11.4 million higher than last July (64.9 percent). Tax year 2023 extension payments for calendar year corporate filers were due on April 17th, and the first and second estimated payments for tax year 2024 were due in April and June. Like individual income tax filers, corporations were provided the same natural disaster relief extensions. While the largest corporate income tax filers are multi-state corporations that most likely were not eligible for the disaster relief extensions or chose to make payments on the April 17th and June 15th due dates, it's likely that some corporations did take advantage of the extensions and the excess July payments are the result of deferred corporate payments. The extension due date for calendar year corporate income tax filers is November 15th, which will provide additional information on the accuracy of the latest corporate income tax forecast. Tax data from corporations is lagged because most large corporations file on extension and the complexity of these returns result in a further lag in posting the returns to the Maine Revenue Services accounting system. It will be some time before we fully understand the recent pattern of receipts and to what extent corporate income tax revenue is beginning to moderate like the other major tax lines.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics and S&P baseline scenarios released in October 2024. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's February 2024 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 (though job openings have slowed recently), supply is low, and unemployment rates are near historic lows in Maine and nationwide. Workers have experienced 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. Maine's net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains.
- High interest rates, low supply of available properties, and ongoing in-migration are continuing to impact the housing market. Home sales remain low, 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.
- Absent any unexpected cuts, Maine will continue to see impacts of large, federally funded infrastructure programs (including the Bipartisan Infrastructure Law and the Inflation Reduction Act) throughout the duration of the forecast. This includes potential impacts on local job markets. Federal capital infrastructure projects already begun will continue into the future.
- Inflation growth has moderated, and the Federal Reserve Open Market Committee cut interest rates in 2024 for the first time since 2020. The Federal Reserve, in its mission to find a 'soft landing', is expected to continue pursuing policies that will constrain inflation to its target levels.

- 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 residential care facilities – as well as financial challenges.
- 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’s forecast for wage and salary employment was left unchanged for all forecast years. The Commission anticipates slower growth in the out 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, with slower increases as 2029 approaches.

The Commission revised its forecast for total personal income growth in 2024 up from 4.7% to 5.3%. The forecast for 2025 was left unchanged (4.4%). The Commission made slight upward revisions for all remaining forecast years, going from 4.3% to 4.4% in 2026, 4.2% to 4.4% in 2027, 4.2% to 4.3% in 2028, and from 4.2% to 4.3% in 2029. For all components of personal income, revisions for 2024 were informed by the growth as reported by the U.S. Bureau of Economic Analysis for the first two quarters of 2024 relative to the same period in 2023.

The forecast for wage and salary income growth was revised up for 2024 from 5.0% to 6.0%. The Commission left the rest of the forecast years unchanged. 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 6.5% in 2024. The remaining years of the forecast were revised upwards to more closely align with forecasts from Moody’s Analytics and S&P. The Commission revised their forecasts from 3.5% to 4.0% in 2025 and 2026, and from 3.0% to 3.5% for 2027-2029.

The forecast for nonfarm proprietor’s income growth was revised up from 5.0% to 6.0% for 2024. The remaining years of the forecast were all revised upwards from 3.0% to 4.0% to more closely align with forecasts from Moody’s Analytics and S&P. The current forecast anticipates constant growth of 4.0% from 2025-2029.

The forecast for growth in dividends, interest, and rent (DIR) was revised upward in 2024, from 5.5% to 6.0%. The Commission left the rest of the forecast years unchanged, anticipating constant growth of 4.5% from 2025-2029.

The forecast for personal current transfer receipts growth was revised downward for 2024 from 3.5% to 2.3%. The Commission left the rest of the forecast years unchanged.

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 left their forecast of annual inflation unchanged for all forecast years, anticipating that growth in the CPI will drop to 2.2% by 2027 and remain constant through 2029.

The forecast for corporate profits was revised upwards in 2024 from 1.0% to 9.0% based on data from the U.S. Bureau of Economic Analysis, and to more closely align with forecasts from Moody's Analytics and S&P. The Commission left the rest of the forecast years unchanged, and forecasts consistent 2.0% annual growth for 2026-2029.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

November 2024 Forecast	History	Forecast					
	2023	2024	2025	2026	2027	2028	2029
CPI-U* (Annual Change)	4.1%	2.7%	2.4%	2.3%	2.2%	2.2%	2.2%
CPI for Energy Prices** (Annual Change)	-4.9%	-0.8%	1.3%	0.9%	0.5%	0.8%	0.9%
Avg. Price of New Vehicles** (Annual Change)	2.4%	-1.2%	2.0%	1.7%	1.2%	4.9%	6.9%
New Vehicle Registrations** (Annual Change)	9.1%	3.4%	1.4%	0.1%	0.2%	-0.6%	-1.8%
Personal Savings Rate**	4.7%	5.1%	5.3%	5.9%	6.2%	6.2%	6.3%
Maine Unemployment Rate**	2.8%	3.0%	3.4%	3.7%	3.8%	3.8%	3.7%
3-Month Treasury Bill Rate**	5.1%	5.3%	5.0%	3.5%	2.4%	2.4%	2.4%
10-Year Treasury Note Yield**	4.0%	4.1%	3.5%	3.3%	3.3%	3.2%	3.3%
Before-Tax Corporate Profits* (Annual Change)	4.6%	9.0%	0.5%	2.0%	2.0%	2.0%	2.0%
Maine Wage & Salary Employment* (thousands)	649.2	654.5	657.1	658.4	659.1	659.7	660.4
Natural Resources	2.0	1.9	1.9	1.9	1.9	1.9	1.9
Construction	33.6	32.7	32.4	32.6	32.7	32.2	32.3
Manufacturing	53.9	54.0	53.9	53.7	53.9	53.6	53.1
Trade/Trans./Public Utils.	120.5	121.1	121.7	122.1	122.0	122.1	122.7
Information	8.2	8.1	8.0	8.0	8.1	8.0	8.0
Financial Activities	33.7	33.4	33.3	33.4	33.5	33.5	33.5
Prof. & Business Services	76.5	76.1	76.0	76.8	77.6	78.5	79.0
Education & Health Services	130.2	133.6	134.8	135.1	134.9	135.0	134.9
Leisure & Hospitality Services	68.3	69.6	70.2	70.0	69.9	70.1	70.4
Other Services	22.1	21.7	21.9	21.9	21.9	21.9	21.9
Government	100.2	102.3	102.9	102.8	102.7	102.8	102.9
Maine Wage & Salary Employment* (Annual Change)	1.8%	0.8%	0.4%	0.2%	0.1%	0.1%	0.1%
Natural Resources	-4.8%	-4.0%	0.5%	0.9%	-0.7%	0.1%	-1.4%
Construction	2.1%	-2.6%	-0.8%	0.6%	0.1%	-1.4%	0.2%
Manufacturing	-0.9%	0.1%	-0.2%	-0.2%	0.2%	-0.5%	-1.0%
Trade/Trans./Public Utils.	1.3%	0.5%	0.5%	0.3%	-0.1%	0.1%	0.5%
Information	2.5%	-1.5%	-0.8%	0.2%	0.7%	-0.5%	-0.4%
Financial Activities	-0.3%	-0.9%	-0.4%	0.4%	0.2%	0.1%	-0.1%
Prof. & Business Services	0.0%	-0.5%	-0.1%	1.0%	1.1%	1.1%	0.6%
Education & Health Services	3.7%	2.6%	0.9%	0.2%	-0.1%	0.1%	-0.1%
Leisure & Hospitality Services	3.0%	1.9%	0.9%	-0.3%	-0.1%	0.3%	0.3%
Other Services	0.9%	-1.8%	0.8%	0.1%	0.2%	-0.1%	-0.2%
Government	2.2%	2.1%	0.6%	-0.1%	-0.1%	0.1%	0.1%
	2023	2024	2025	2026	2027	2028	2029
Personal Income* (\$ million)	90,868	95,699	99,940	104,341	108,963	113,687	118,580
Wages & Salaries*	40,784	43,231	44,960	46,758	48,628	50,574	52,597
Supplements to Wages & Salaries*	9,482	10,099	10,503	10,923	11,305	11,701	12,110
Nonfarm Proprietors' Income*	6,933	7,349	7,643	7,948	8,266	8,597	8,941
Farm Proprietors' Income**	19	5	36	79	117	148	163
Dividends, Interest, & Rent*	18,081	19,166	20,028	20,929	21,871	22,855	23,884
Dividends	6,463	6,516	6,769	6,837	6,835	6,857	7,189
Interest	6,890	6,516	6,810	7,179	7,808	8,228	8,694
Rent	4,729	6,133	6,449	6,907	7,217	7,771	8,001
Personal Current Transfer Receipts*	21,061	21,545	22,622	23,753	24,941	26,188	27,498
Less: Contributions for Social Ins.**	6,896	7,205	7,417	7,683	7,867	8,145	8,450
Adjustment for Residence**	1,405	1,511	1,566	1,633	1,701	1,769	1,838
Personal Income* (Annual Change)	6.0%	5.3%	4.4%	4.4%	4.4%	4.3%	4.3%
Wages & Salaries*	5.4%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	7.9%	6.5%	4.0%	4.0%	3.5%	3.5%	3.5%
Nonfarm Proprietors' Income*	6.8%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Farm Proprietors' Income**	-87.8%	-76.0%	684.1%	117.5%	48.0%	26.7%	10.2%
Dividends, Interest, & Rent*	12.6%	6.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Dividends	4.8%	0.8%	3.9%	1.0%	0.0%	0.3%	4.8%
Interest	15.4%	-5.4%	4.5%	5.4%	8.8%	5.4%	5.7%
Rent	20.5%	29.7%	5.2%	7.1%	4.5%	7.7%	3.0%
Personal Current Transfer Receipts*	1.9%	2.3%	5.0%	5.0%	5.0%	5.0%	5.0%
Less: Contributions for Social Ins.**	6.1%	4.5%	3.0%	3.6%	2.4%	3.5%	3.7%
Adjustment for Residence**	5.3%	7.5%	3.7%	4.3%	4.2%	4.0%	3.9%

*CEFC Forecast

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

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



APPENDIX F

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

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

	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>Biennium</u>	<u>FY2028</u>	<u>FY2029</u>	<u>Biennium</u>
Sales & Use Tax	\$23,400,748	\$30,746,675	\$26,972,162	\$57,718,837	\$2,435,439,204	\$2,467,479,795	\$4,902,918,999
Service Provider Tax	(\$1,845,112)	(\$2,229,046)	(\$2,329,249)	(\$4,558,294)	\$39,999,862	\$38,517,341	\$78,517,204
Individual Income Tax	\$185,000,000	\$62,000,000	\$44,000,000	\$106,000,000	\$2,863,800,000	\$3,024,000,000	\$5,887,800,000
Corporate Income Tax	\$17,000,000	\$7,000,000	\$15,000,000	\$22,000,000	\$457,000,000	\$477,000,000	\$934,000,000
Estate Tax	\$11,390,000	\$8,320,000	\$8,510,000	\$16,830,000	\$35,970,000	\$39,080,000	\$75,050,000
Real Estate Transfer Tax, General Fund	\$486,404	(\$316,354)	(\$655,006)	(\$971,360)	\$11,692,514	\$12,186,367	\$23,878,881
Cigarette, Tobacco, and Cannabis Excise Taxes	(\$5,669,856)	(\$5,715,275)	(\$7,585,480)	(\$13,300,755)	\$153,146,490	\$152,936,424	\$306,082,915
Telecommunications Excise Tax	\$325,000	\$700,000	\$750,000	\$1,450,000	\$7,000,000	\$7,000,000	\$14,000,000
Insurance Company Tax	-\$180,000	(\$4,070,000)	(\$4,100,000)	(\$8,170,000)	\$135,610,000	\$139,750,000	\$275,360,000
Container Fee	(\$80,000)	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Forestry Excise Tax	\$1,857,632	\$1,220,000	\$1,220,000	\$2,440,000	\$3,720,000	\$3,720,000	\$7,440,000
BETE Reimbursement	(\$1,520,000)	(\$216,000)	\$1,135,000	\$919,000	(\$79,669,000)	(\$82,920,000)	(\$162,589,000)
BETR Reimbursement	(\$340,000)	(\$319,000)	(\$358,000)	(\$677,000)	(\$14,454,000)	(\$13,603,000)	(\$28,057,000)
Transfer to Clean Election Fund	\$13,946	\$0	\$0	\$0	\$0	\$0	\$0
Gas Tax	\$8,629,418	\$10,776,760	\$12,388,697	\$23,165,457	\$202,112,370	\$202,327,605	\$404,439,976
Special Fuel Tax	(\$604,855)	(\$2,195,663)	(\$2,255,914)	(\$4,451,577)	\$48,034,413	\$48,200,868	\$96,235,281
<hr/>							
Total Adjustments to Current Forecast	\$237,863,325	\$105,702,097	\$92,692,210	\$198,394,308	\$6,299,401,853	\$6,515,675,401	\$12,815,077,255
<hr/>							
General Fund	\$216,238,722	\$90,686,082	\$77,452,197	\$168,138,279	\$5,586,346,840	\$5,790,327,600	\$11,376,674,440
Local Government Fund	\$14,065,629	\$5,752,921	\$4,321,268	\$10,074,189	\$292,971,755	\$303,317,172	\$596,288,927
Tourism Marketing Promotion Fund	(\$385,362)	\$106,231	\$350,159	\$456,390	\$27,534,196	\$28,419,530	\$55,953,726
Adult Use Cannabis Public Health and Safety Fund	(\$334,922)	(\$723,258)	(\$1,027,316)	(\$1,750,574)	\$4,692,926	\$5,015,937	\$9,708,863
Multimodal Transportation Fund	(\$138,121)	\$1,152,503	\$768,314	\$1,920,817	\$17,421,033	\$17,702,780	\$35,123,813
Highway Fund (Motor Fuel Taxes)	\$8,337,868	\$9,023,161	\$10,622,892	\$19,646,053	\$219,970,573	\$220,308,307	\$440,278,880
Highway Fund Auto Sales Tax Transfer	\$392,816	\$146,520	\$694,806	\$841,326	\$120,288,321	\$120,363,908	\$240,652,229
Transcap Trust Fund	(\$548,450)	(\$739,298)	(\$837,184)	(\$1,576,482)	\$25,121,987	\$25,160,559	\$50,282,546
Other Gas Tax Distributions	\$235,145	\$297,234	\$347,075	\$644,309	\$5,054,223	\$5,059,607	\$10,113,830

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

21-Nov-24
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MRS Office of Tax Policy Presentation for December 2024 Revenue Forecast

October General Fund Revenue - Budget

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2024

For the Fiscal Year Ending June 30, 2025

Comparison to Budget

Exhibit I

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2025
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 215,716,641	\$ 214,210,689	\$ 1,505,952	0.7 %	\$ 898,059,526	\$ 893,775,036	\$ 4,284,490	0.5 %	\$ 2,286,012,482
Service Provider Tax	4,132,954	4,104,982	27,972	0.7 %	15,828,993	16,214,832	(385,839)	(2.4)%	46,766,812
Individual Income Tax	216,792,805	198,287,024	18,505,781	9.3 %	964,164,535	840,768,308	123,396,227	14.7 %	2,454,470,721
Corporate Income Tax	9,495,497	14,500,000	(5,004,503)	(34.5)%	126,822,302	116,000,000	10,822,302	9.3 %	428,000,000
Cigarette and Tobacco Tax	13,009,886	13,309,518	(299,632)	(2.3)%	51,396,808	54,779,910	(3,383,102)	(6.2)%	155,631,458
Insurance Companies Tax	11,906,454	9,939,888	1,966,566	19.8 %	14,917,141	11,741,968	3,175,173	27.0 %	124,140,000
Estate Tax	3,423,454	2,285,000	1,138,454	49.8 %	20,479,833	9,158,000	11,321,833	123.6 %	27,440,000
Fines, Forfeits & Penalties	898,737	1,316,566	(417,829)	(31.7)%	1,883,475	5,804,441	(3,920,966)	(67.6)%	16,295,150
Income from Investments	6,544,448	3,773,015	2,771,433	73.5 %	19,904,206	11,785,583	8,118,623	68.9 %	38,007,512
Transfer from Lottery Commission	5,799,518	5,384,615	414,903	7.7 %	24,323,092	22,884,614	1,438,478	6.3 %	70,000,000
Transfer from Liquor Commission	-	-	-	%	7,000,000	7,000,000	-	%	7,000,000
Transfers for Tax Relief Programs	(433,708)	(362,050)	(71,658)	(19.8)%	(2,388,827)	(3,158,811)	769,984	24.4 %	(86,210,000)
Transfer to Municipal Revenue Sharing	(29,554,587)	(28,799,975)	(754,612)	(2.6)%	(105,783,144)	(97,012,952)	(8,770,192)	(9.0)%	(264,635,128)
Auto Sales Tax Transfer to Highway Fund	(57,191,819)	(55,656,995)	(1,534,824)	(2.8)%	(115,811,095)	(115,418,279)	(392,816)	(0.3)%	(115,418,279)
Other Taxes and Fees	27,297,919	22,465,170	4,832,749	21.5 %	63,717,220	59,568,256	4,148,964	7.0 %	152,314,222
Other Revenues	(10,051,568)	(12,089,747)	2,038,179	16.9 %	(27,115,914)	(33,619,844)	6,503,930	19.3 %	(8,162,952)
Total Collected	\$ 417,786,630	\$ 392,667,700	\$ 25,118,930	6.4 %	\$ 1,957,398,151	\$ 1,800,271,062	\$ 157,127,089	8.7 %	\$ 5,331,651,998

NOTES:

(1) Included in the above is \$29,554,587 for the month and \$105,783,144 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 March 2024, laws enacted through the 131st Legislature, 2nd Regular Session and for all laws and any emergency laws.

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

October General Fund Revenue – Prior Year

STATE OF MAINE

Undedicated Revenues - General Fund

For the Fourth Month Ended October 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2025 and 2024

Comparison to To Prior Year

Exhibit II

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Sales and Use Tax	\$ 215,716,641	\$ 211,048,543	\$ 4,668,098	2.2 %	\$ 898,059,526	\$ 878,910,791	\$ 19,148,735	2.2 %
Service Provider Tax	4,132,954	4,575,669	(442,715)	(9.7)%	15,828,993	17,855,209	(2,026,216)	(11.3)%
Individual Income Tax	216,792,805	200,819,122	15,973,683	8.0 %	964,164,535	809,807,875	154,356,660	19.1 %
Corporate Income Tax	9,495,497	18,385,611	(8,890,115)	(48.4)%	126,822,302	122,275,352	4,546,950	3.7 %
Cigarette and Tobacco Tax	13,009,886	14,003,194	(993,309)	(7.1)%	51,396,808	56,363,036	(4,966,228)	(8.8)%
Insurance Companies Tax	11,906,454	10,409,205	1,497,249	14.4 %	14,917,141	11,391,964	3,525,178	30.9 %
Estate Tax	3,423,454	373,468	3,049,986	816.7 %	20,479,833	3,399,514	17,080,319	502.4 %
Fines, Forfeits & Penalties	898,737	967,468	(68,731)	(7.1)%	1,883,475	3,678,436	(1,794,962)	(48.8)%
Income from Investments	6,544,448	4,918,488	1,625,961	33.1 %	19,904,206	14,487,880	5,416,326	37.4 %
Transfer from Lottery Commission	5,799,518	1,967,191	3,832,327	194.8 %	24,323,092	23,689,054	634,038	2.7 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %
Transfers for Tax Relief Programs	(433,708)	(424,425)	(9,283)	(2.2)%	(2,388,827)	(3,647,768)	1,258,941	34.5 %
Transfer to Municipal Revenue Sharing	(29,554,587)	(29,259,769)	(294,819)	(1.0)%	(105,783,144)	(95,610,429)	(10,172,715)	(10.6)%
Auto Sales Tax Transfer to Highway Fund	(57,191,819)	(53,456,007)	(3,735,812)	(7.0)%	(115,811,095)	(107,534,228)	(8,276,866)	(7.7)%
Other Taxes and Fees	27,297,919	25,005,063	2,292,855	9.2 %	63,717,220	55,370,050	8,347,170	15.1 %
Other Revenues	(10,051,568)	(9,564,070)	(487,498)	(5.1)%	(27,115,914)	(28,134,088)	1,018,174	3.6 %
Total Collected	\$ 417,786,630	\$ 399,768,752	\$ 18,017,878	4.5 %	\$ 1,957,398,151	\$ 1,769,302,648	\$ 188,095,503	10.6 %

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

October Highway Fund Revenue - Budget

STATE OF MAINE

Undedicated Revenues - Highway Fund

For the Fourth Month Ended October 31, 2024

For the Fiscal Year Ending June 30, 2025

Comparison to Budget

Exhibit V

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2025
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 18,536,505	\$ 18,591,840	\$ (55,335)	(0.3)%	\$ 81,259,181	\$ 77,126,942	\$ 4,132,239	5.4 %	\$ 212,705,479
Motor Vehicle Registration & Fees	4,546,606	9,183,088	(4,636,482)	(50.5)%	35,603,487	34,016,001	1,587,486	4.7 %	97,538,198
Motor Vehicle Inspection Fees	711,631	265,215	446,416	168.3 %	1,069,104	1,060,860	8,244	0.8 %	3,182,600
Miscellaneous Taxes & Fees	112,139	46,881	65,258	139.2 %	467,646	205,850	261,796	127.2 %	1,429,470
Fines, Forfeits & Penalties	97,748	54,803	42,945	78.4 %	370,281	194,017	176,264	90.8 %	606,512
Earnings on Investments	347,843	164,560	183,283	111.4 %	1,152,067	658,240	493,827	75.0 %	1,974,719
Auto Sales Tax Transfer	57,191,819	55,656,995	1,534,824	2.8 %	115,811,095	115,418,279	392,816	0.3 %	115,418,279
Transfer from Liquor Commission	5,247,488	5,500,000	(252,512)	(4.6)%	20,016,818	15,000,000	5,016,818	33.4 %	59,000,000
All Other	215,463	371,241	(155,778)	(42.0)%	1,672,712	1,812,094	(139,382)	(7.7)%	12,411,265
Total Collected	\$ 87,007,242	\$ 89,834,623	\$ (2,827,381)	(3.1)%	\$ 257,422,389	\$ 245,492,283	\$ 11,930,106	4.9 %	\$ 504,266,522

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

October Highway Fund Revenue – Prior Year

STATE OF MAINE

Undedicated Revenues - Highway Fund

For the Fourth Month Ended October 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2025 and 2024

Comparison to To Prior Year

Exhibit VI

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 18,536,505	\$ 19,172,949	\$ (636,444)	(3.3)%	\$ 81,259,181	\$ 79,675,777	\$ 1,583,403	2.0 %
Motor Vehicle Registration & Fees	4,546,606	4,863,013	(316,407)	(6.5)%	35,603,487	34,967,361	636,126	1.8 %
Motor Vehicle Inspection Fees	711,631	33,117	678,514	2,048.8 %	1,069,104	556,765	512,339	92.0 %
Miscellaneous Taxes & Fees	112,139	56,507	55,632	98.5 %	467,646	392,657	74,989	19.1 %
Fines, Forfeits & Penalties	97,748	82,100	15,648	19.1 %	370,281	363,552	6,729	1.9 %
Earnings on Investments	347,843	122,838	225,005	183.2 %	1,152,067	370,721	781,346	210.8 %
Auto Sales Tax Transfer	57,191,819	53,456,007	3,735,812	7.0 %	115,811,095	107,534,228	8,276,866	7.7 %
Transfer from Liquor Commission	5,247,488	8,364,754	(3,117,266)	(37.3)%	20,016,818	21,163,538	(1,146,721)	(5.4)%
All Other	215,463	208,257	7,206	3.5 %	1,672,712	1,596,315	76,397	4.8 %
Total Collected	\$ 87,007,242	\$ 86,359,543	\$ 647,700	0.8 %	\$ 257,422,389	\$ 246,620,915	\$ 10,801,475	4.4 %

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

Sales & Use Tax and Service Provider Tax

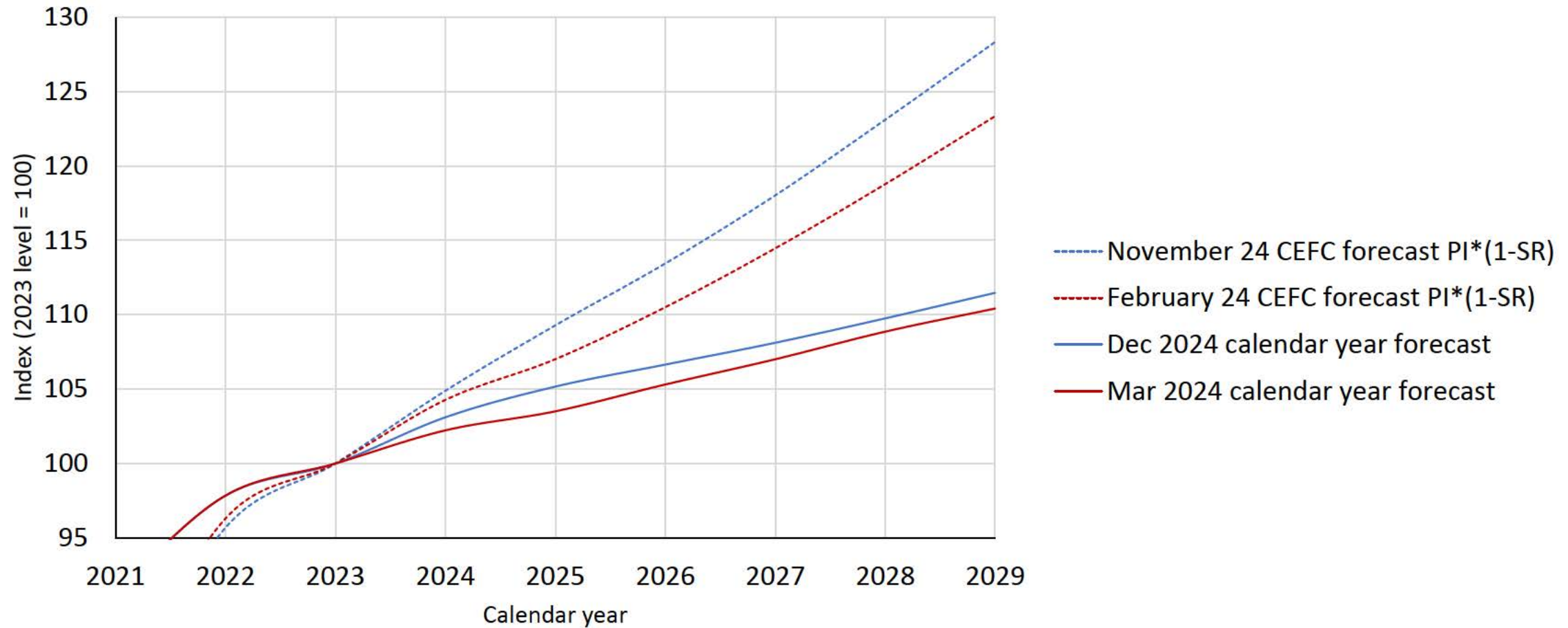
Sales and Use Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$1,804.23	15.97%		
2022	\$2,078.88	15.22%		
2023	\$2,173.05	4.53%		
2024	\$2,262.23	4.10%	\$10.07	0.45%
2025	\$2,310.10	2.12%	\$23.40	1.02%
2026	\$2,355.21	1.95%	\$30.75	1.32%
2027	\$2,385.06	1.27%	\$26.97	1.14%
2028	\$2,435.44	2.11%	\$2,435.44	
2029	\$2,467.48	1.32%	\$2,467.48	

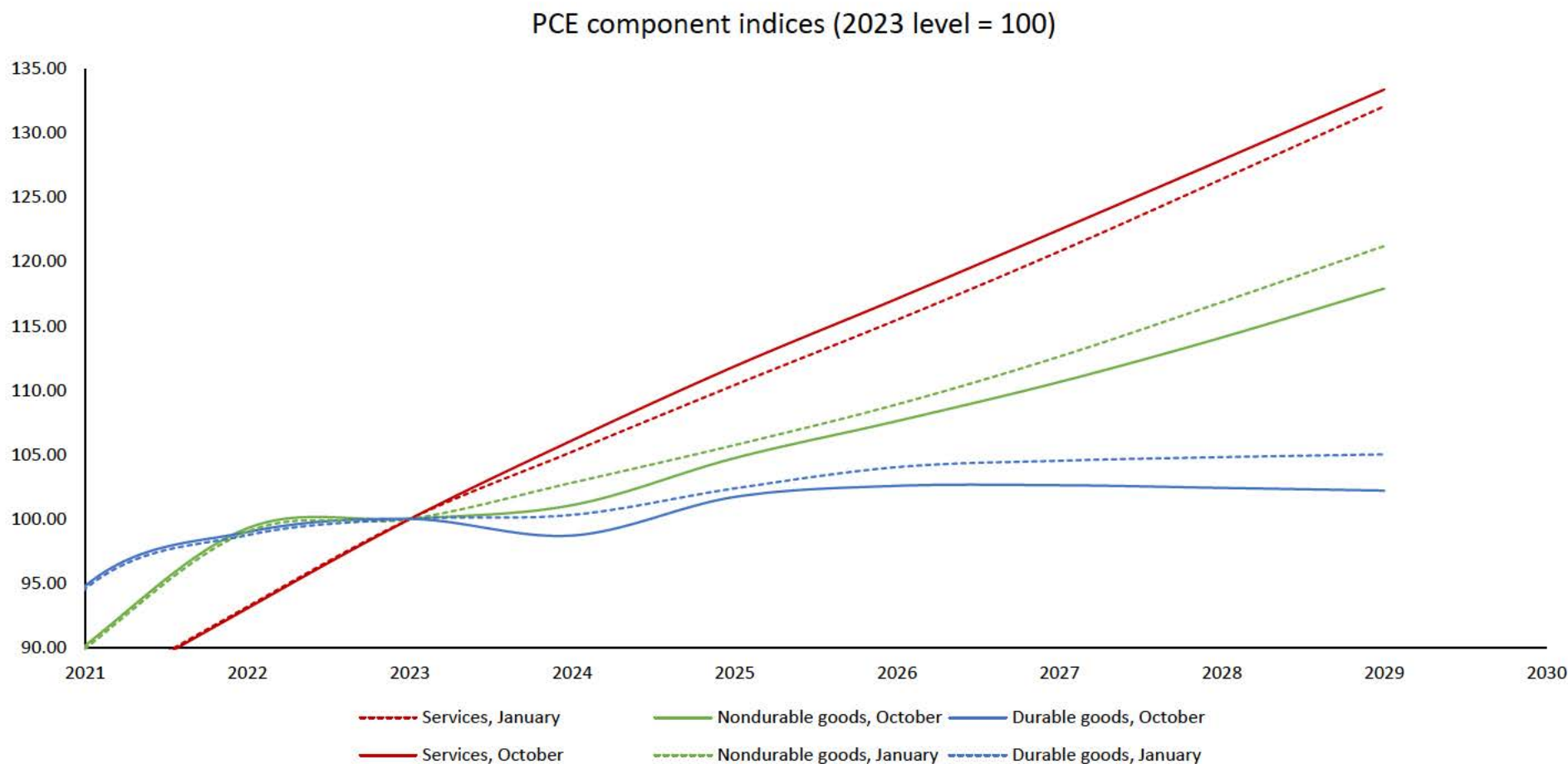
- FY24 finished \$10 million over budget
- FY25 revenue through October is \$4.3 million over budget
- Sales growth is slowing, but not as quickly as projected in the March forecast

Forecast of Revenue and Consumer Spending



- New CEFC forecast features substantially higher consumer spending throughout the forecast period
- Proposed revenue forecast features less pronounced increases in revenue

PCE Composition – Moody's baseline forecast



- New PCE forecast features a stronger shift from goods to services, which lessens the revenue impact of the projected spending increase

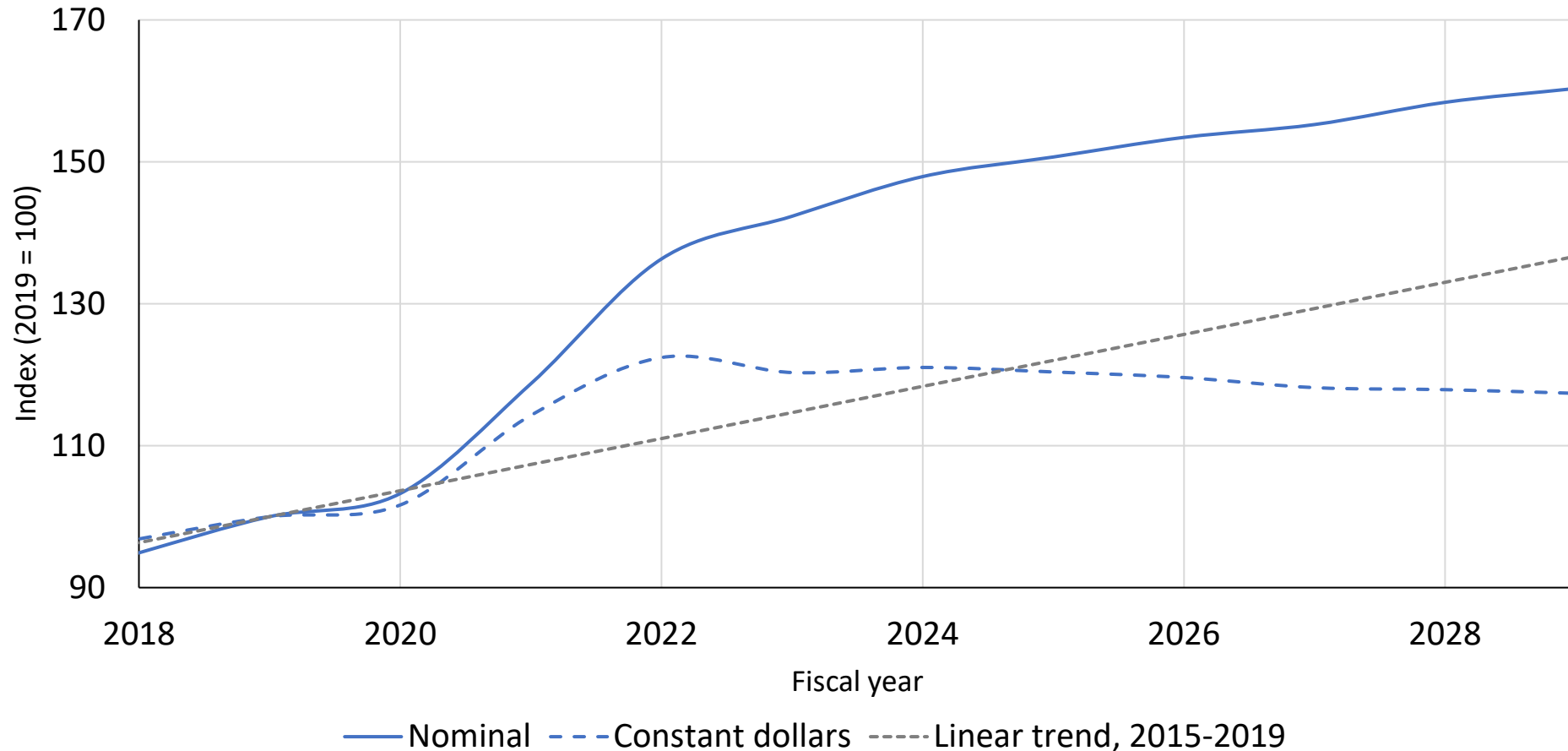
Source of Forecast Adjustments

\$million
(%)

	2025	2026	2027
Non-auto 5.5% Sales	\$17.0 (1.2%)	\$15.2 (1.1%)	\$4.8 (0.3%)
Auto Sales 5.5%	\$1.1 (0.3%)	\$3.3 (1.1%)	\$5.5 (1.8%)
Lodging 9%	\$0.5 (0.3%)	\$3.1 (1.7%)	\$3.6 (2.0%)
Prepared Food 8%	-\$0.1 (0.0%)	\$4.5 (1.2%)	\$7.7 (2.0%)
Short-term auto rental 10%	\$0.7 (3.8%)	\$0.7 (4.0%)	\$0.8 (4.2%)
Adult use cannabis 10%	-\$2.6 (-9.2%)	-\$4.4 (-13.6%)	-\$6.1 (-16.6%)

Sales & Use Tax Revenue by Fiscal Year

Actual and December 2024 forecast recommendations (2019=100)



- 7.5% average annual growth in nominal revenue FY 2015 – 2023
- 2.0% average annual growth in nominal revenue FY 2023 – 2027
- 2.4% average inflation in FY2023 – 2027

Service Provider Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$51.35	-11.48%		
2022	\$51.56	0.41%		
2023	\$51.46	-0.19%		
2024	\$49.63	-3.57%	\$0.40	0.80%
2025	\$44.92	-9.49%	-\$1.85	-3.95%
2026	\$43.03	-4.22%	-\$2.23	-4.93%
2027	\$41.44	-3.68%	-\$2.33	-5.32%
2028	\$40.00	-3.48%		
2029	\$38.52	-3.71%		

- FY24 finished \$0.40 million over budget, but is \$0.39 under budget for FY25 through October due to accelerated decline
- The decline is projected to continue, giving 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	\$2,389.0	-3.4%	-\$53.1	-2.3%
2025	\$2,639.5	10.5%	\$185.0	6.5%
2026	\$2,609.3	-1.1%	\$62.0	2.3%
2027	\$2,731.1	4.7%	\$44.0	1.6%
2028	\$2,863.8	4.9%		
2029	\$3,024.0	5.6%		

Individual Income Tax Main Points

- The delayed payment deadlines announced after the last revenue forecast are responsible for almost half of the recommended upward revision to FY 2025 revenue.
- Other main factors for recommended forecast change
 - Wages, capital gains, taxable interest, and dividend forecasts
 - Refundable credit forecasts
 - Student loan repayment credit
 - Property tax fairness credit
- Tax liability forecast revisions
 - 2023: Full-year resident before refundable credits estimated .6% higher than prior forecast; all filers after refundable credits 1.2% higher than prior forecast.
 - Upward revision to tax liability forecast peaks in tax year 2024 and is small by end of forecast period.

Full-Year Resident Tax Liability After All Tax Credits by Tax Year

	Tax Liability (\$million)				Annual Growth	
Tax Year	March 2024 Forecast	December 2024 Forecast	Change		March 2024 Forecast	December 2024 Forecast
2019	\$1,521.5	\$1,521.5	\$0			
2020	\$1,680.8	\$1,680.8	\$0		10.5%	10.5%
2021	\$2,064.6	\$2,067.1	\$2.5		22.8%	23.0%
2022	\$1,988.9	\$1,983.7	-\$5.2		-3.7%	-4.0%
2023	\$2,064.5	\$2,090.8	\$26.3		3.8%	5.4%
2024	\$2,037.1	\$2,119.4	\$82.3		-1.3%	1.4%
2025	\$2,116.4	\$2,181.5	\$65.1		3.9%	2.9%
2026	\$2,234.2	\$2,281.9	\$47.7		5.6%	4.6%
2027	\$2,365.0	\$2,381.9	\$16.9		5.9%	4.4%
2028		\$2,520.3				5.8%
2029		\$2,656.5				5.4%

Full-Year Resident Tax Liability After All Tax Credits by Tax Year, 2023 Policy

Tax Year	Tax Liability (\$million)	Annual Growth
2023	\$2,090.8	
2024	\$2,239.9	7.1%
2025	\$2,330.1	4.0%
2026	\$2,442.7	4.8%
2027	\$2,554.6	4.6%
2028	\$2,702.2	5.8%
2029	\$2,848.2	5.4%

2023 Policy is 1) No pension deduction increase beginning in 2024; 2) No refundable dependent credit beginning in 2024; 3) No Property Tax Fairness Credit expansion in 2024; 4) No excess growth in Student Loan Repayment Credit after 2023; 5) No Dirigo Tax Credit in 2025.

Nonresident and Part-Year Resident Tax Liability After All Tax Credits by Tax Year

	Tax Liability (\$million)			
Tax Year	March 2024 Forecast	December 2024 Forecast	Change	Annual Growth, December 2024
2019	\$134.7	\$134.7	\$0.0	
2020	\$168.2	\$168.2	\$0.0	24.9%
2021	\$253.5	\$251.5	-\$2.0	49.5%
2022	\$225.9	\$225.9	\$0.0	-10.2%
2023	\$230.7	\$229.4	-\$1.3	1.5%
2024	\$236.5	\$241.2	\$4.7	5.1%
2025	\$246.3	\$250.4	\$4.1	3.8%
2026	\$258.6	\$261.3	\$2.7	4.4%
2027	\$271.8	\$272.7	\$0.9	4.4%
2028	\$286.8	\$287.5	\$0.7	5.4%
2029	\$301.7	\$301.9	\$0.2	5.0%

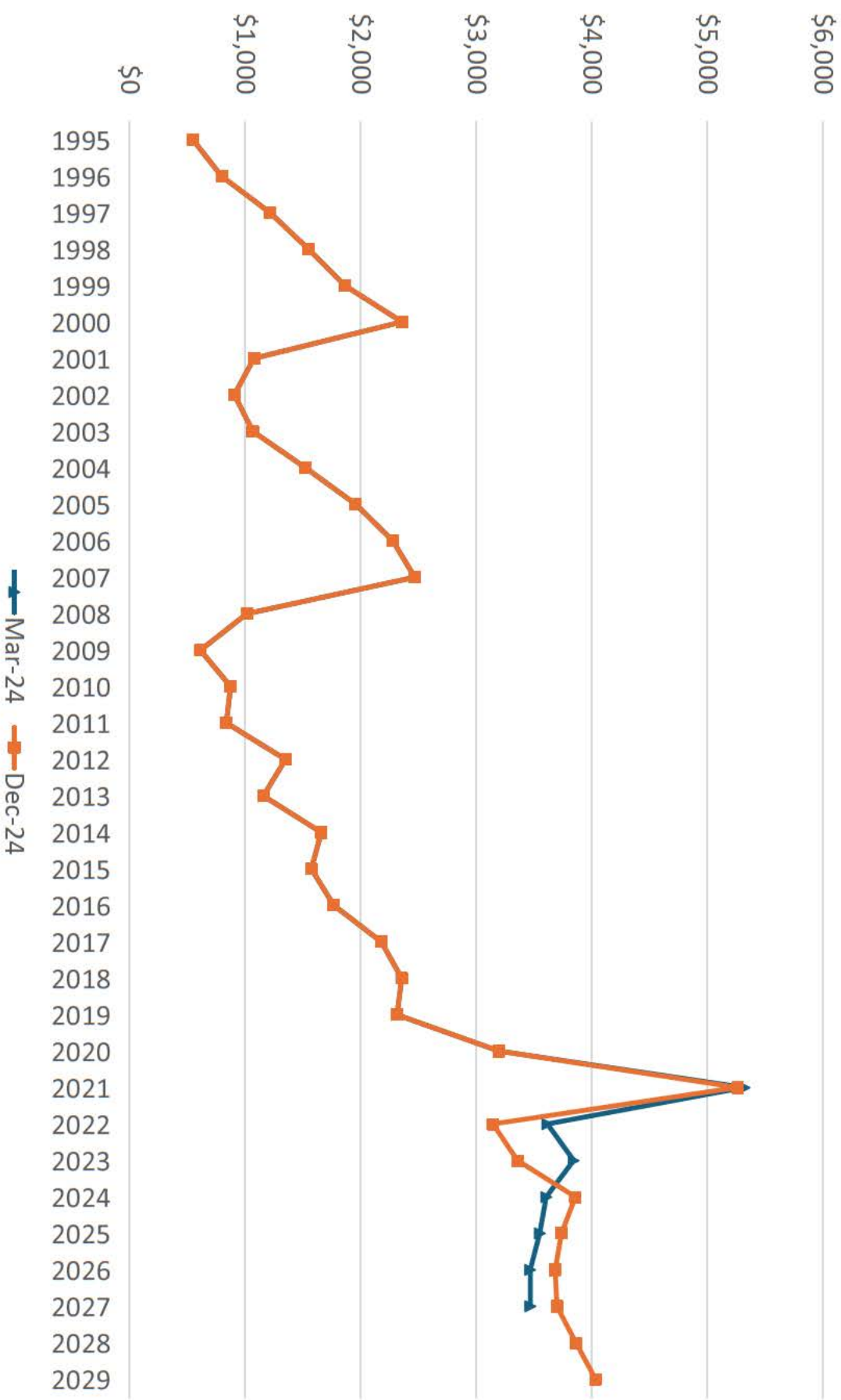
Taxable Interest and Dividends

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	CEFC Forecast										
3-Month T-Bill Rate	2.1%	0.4%	0.1%	2.0%	5.1%	5.3%	5.0%	3.5%	2.4%	2.4%	2.4%
10-Year Treasury Yield	2.2%	0.9%	1.5%	3.0%	4.0%	4.1%	3.5%	3.3%	3.3%	3.2%	3.3%
	December RFC Recommendation										
	Full-year Resident Income (\$million)										
Taxable Interest Income	\$418	\$355	\$311	\$387	\$941	\$973	\$877	\$728	\$605	\$600	\$599
Dividend Income	\$1,195	\$1,075	\$1,266	\$1,281	\$1,640	\$1,653	\$1,718	\$1,735	\$1,734	\$1,740	\$1,824
	Annual Growth										
Taxable Interest Income		-15.0%	-12.5%	24.7%	142.9%	3.4%	-9.9%	-16.9%	-16.9%	-0.8%	-0.1%
Dividend Income		-10.1%	17.8%	1.2%	28.0%	0.8%	3.9%	1.0%	0.0%	0.3%	4.8%

Capital Gains Forecasts: National (CBO, June 2024) and Maine

	Annual Growth			Capital Gains Share of GDP or Personal Income	
	U.S., CBO June 2024	Maine, Mar. 24 forecast	Maine, Dec. 24 forecast	U.S., Share of GDP, CBO June 2024	Maine, Share of Personal Income, Dec. 24 forecast
2019	-6.7%	-1.7%	-1.7%	4.1%	3.4%
2020	30.3%	38.0%	38.0%	5.4%	4.3%
2021	80.6%	66.5%	64.6%	8.8%	6.5%
2022	-39.7%	-32.0%	-40.2%	4.9%	3.7%
2023	8.8%	6.3%	6.7%	5.0%	3.7%
2024	5.2%	-6.2%	14.9%	5.0%	4.0%
2025	-3.1%	-1.6%	-3.1%	4.6%	3.7%
2026	-4.0%	-2.3%	-1.4%	4.3%	3.5%
2027	-1.1%	0.0%	0.4%	4.1%	3.4%
2028	0.8%		4.5%	4.0%	3.4%
2029	2.1%		4.4%	3.9%	3.4%

Full-Year Resident Capital Gains History and Forecast



Wages

CEFC Forecast	2022	2023	2024	2025	2026	2027	2028	2029
Nov-24	\$38,707	\$40,784	\$43,231	\$44,960	\$46,758	\$48,628	\$50,574	\$52,597
Feb-24	\$38,678	\$41,037	\$43,089	\$44,813	\$46,605	\$48,470	\$50,408	\$52,425
Annual Growth:								
Nov-24		5.4%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Feb-24		6.1%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
% Change Wage Forecast	0.1%	-0.6%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

Credit for Educational Opportunity (Pre-2022) / Student Loan Repayment Credit (\$million)

Tax Year	Refundable Credit	Nonrefundable Credit Used	Total Credit Used	# Tax Returns That Benefit
2019	\$19.7	\$10.9	\$30.6	14,594
2020	\$14.6	\$10.0	\$24.6	13,168
2021	\$13.5	\$8.9	\$22.4	9,293
2022	\$32.1	\$0.0	\$32.1	14,308
2023	\$44.7	\$0.0	\$44.7	25,747
2024	\$72		\$72	
2025	\$79		\$79	
2026	\$83		\$82	
2027	\$85.5		\$85	
2028	\$87		\$87	
2029	\$89		\$89	

Student Loan Repayment Tax Credit

- 2023 credit about \$19 million smaller than expected
 - Main reason: fewer borrowers making positive repayments
 - E-File data: Number of student loan interest deductions approximately 37% below 2019
- 2024 credit should increase significantly
 - Repayment pause ended October 2023
- SAVE Plan complicates everything
 - Nearly 25% of borrowers enrolled in SAVE Plan in January 2024, 60% had \$0 expected payments
 - Injunction issued in July 2024 prohibiting implementation
 - Borrowers enrolled in SAVE Plan in administrative forbearance with indefinite end
 - Expect SLRTC savings of around \$23 million in 2025 due to SAVE Plan
- New forecast \$72 million in 2024, then \$79, \$83, and \$85.5 million; savings of \$15 million in 2024 and then \$7 - \$7.6 million compared to last forecast.

Helpful background information on SAVE Plan: <https://www.brookings.edu/articles/how-are-legal-challenges-to-save-affecting-the-student-loan-program/>

Property Tax Fairness Credit History and Forecast

Tax Year	PTFC (\$million)	#
2019	\$29.0	57,909
2020	\$40.3	76,399
2021	\$49.9	85,786
2022	\$74.5	117,254
2023	\$79.0	118,117
2024	\$118.4	
2025	\$125.0	
2026	\$128.9	
2027	\$135.0	
2028	\$137.7	
2029	\$140.5	

- 2024 major expansion for taxpayers aged 65 and older
 - Increases eligibility, some uncertainty about cost for newly eligible
- Expect high property tax growth and corresponding increase in PTFC based on partial 2024 MVR data
- The new PTFC forecast is higher in all forecast years.

Insurance Premiums Tax

Insurance Premiums Tax Revenue

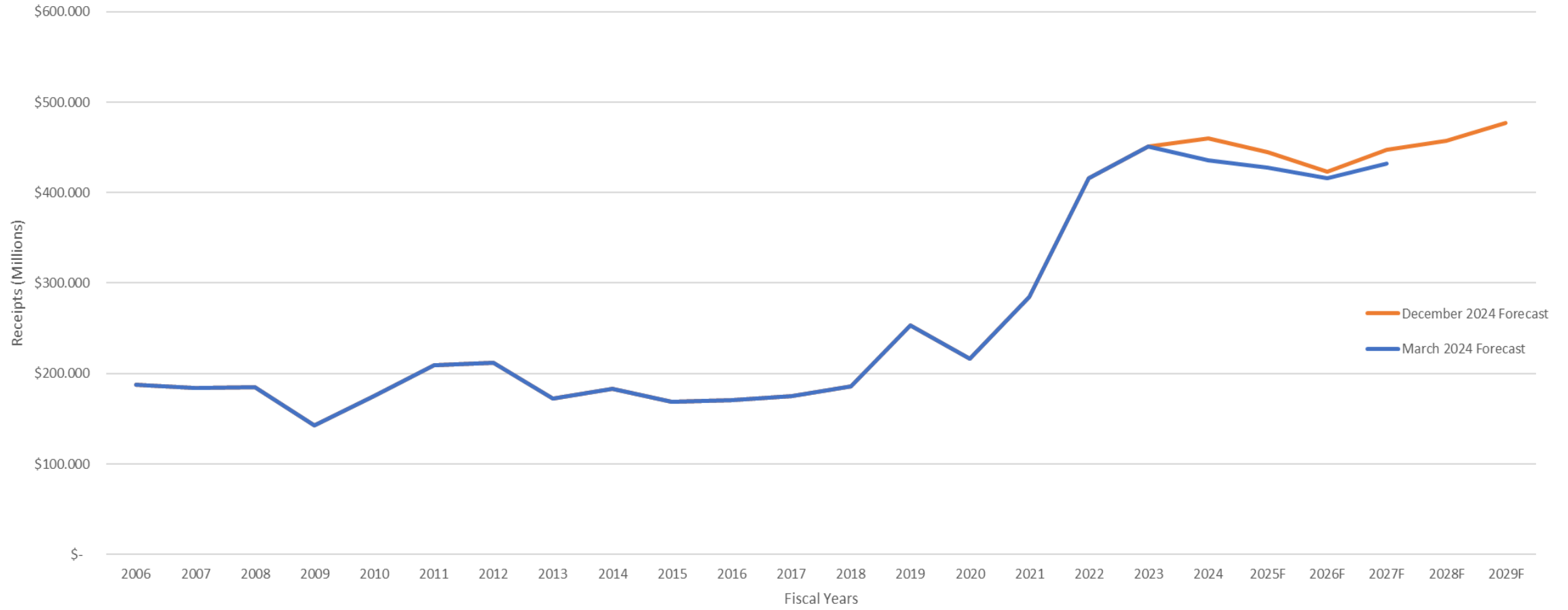
	December 2024 Forecast				March 2024 Forecast				Change
Fiscal Year	Total	IPT	Nonadmitted		Total	IPT	Nonadmitted		Total
2021	\$84.5	\$80.4	\$4.0						
2022	\$101.7	\$96.2	\$5.5						
2023	\$114.2	\$108.0	\$6.2						
2024	\$108.4	\$100.8	\$7.6		\$118.5	\$111.4	\$7.1		(\$10.0)
2025	\$124.0	\$116.5	\$7.5		\$124.1	\$116.8	\$7.3		(\$0.2)
2026	\$127.0	\$119.5	\$7.5		\$131.0	\$123.5	\$7.5		(\$4.1)
2027	\$132.3	\$124.5	\$7.8		\$136.4	\$128.6	\$7.8		(\$4.1)
2028	\$135.6	\$127.5	\$8.1						
2029	\$139.8	\$131.3	\$8.4						

Insurance Premiums Tax

- Negative variance in FY 2024 mostly attributable to slower than forecast tax year 2023 tax liability growth
 - Tax liability before refundable credits grew 2.5% vs. 6.5% forecast
 - Front-loaded and backward-looking IPT estimated payments magnify fiscal year revenue impact of 2023 tax liability shortfall
 - Most companies make 2024 estimated payments equal to 70% of tax year 2023 tax liability in FY 2025
- Forecast assumes 6% tax liability growth in 2024
- Fiscal year 2025 recommended change is smaller than next biennium for two reasons related to timing.
 - Some June 2024 payments (\approx \$1.2 million) not recognized until July
 - New forecast assumes accelerating tax liability growth in tax year 2024. Revenue growth exceeds tax liability growth when tax liability growth accelerates. Prior forecast assumes decelerating tax liability.

Corporate Income Tax

Corporate Income Tax Receipts by Fiscal Year

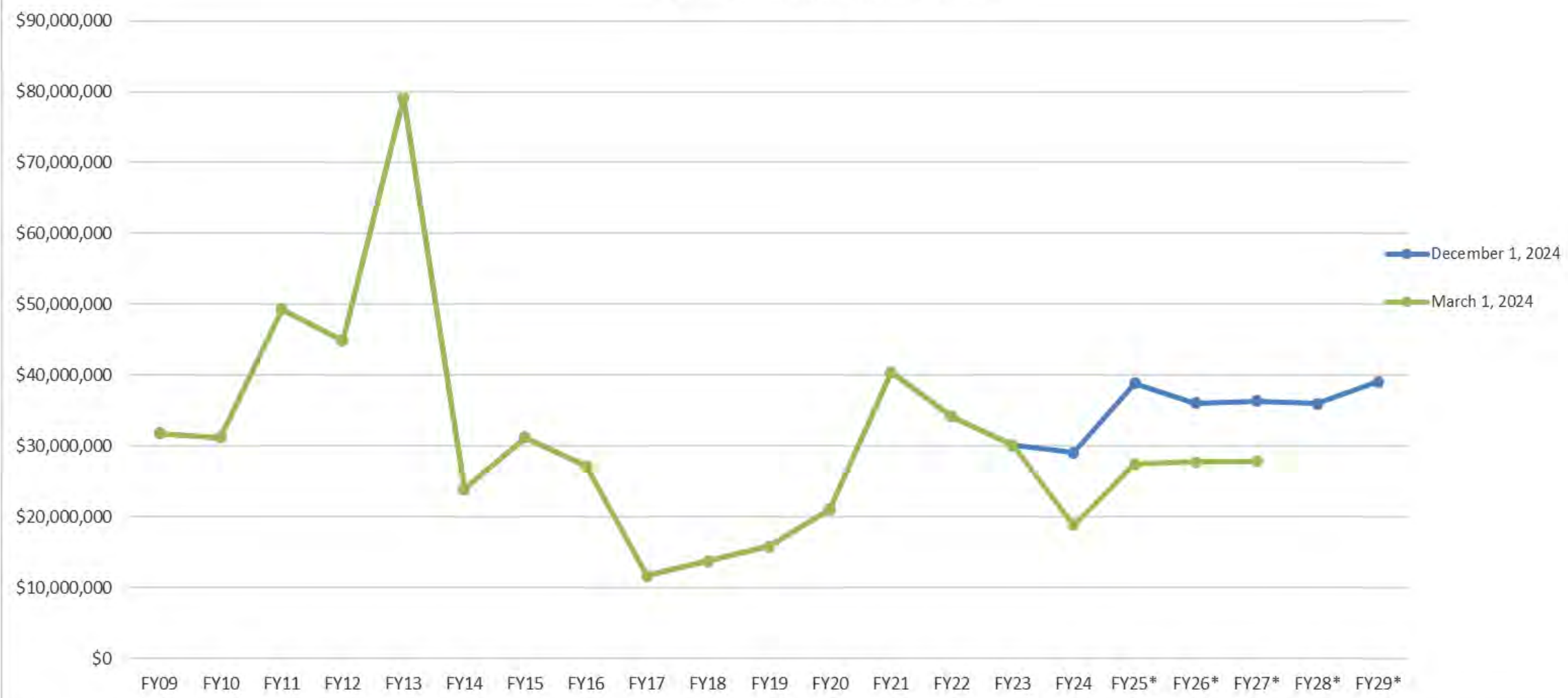


Corporate Income Tax

CY Pre-Tax Profits	2021	2022	2023	2024	2025	2026	2027	2028	2029
Feb. 2024 CEFC Forecast	30.8%	8.4%	-0.2%	3.4%	2.0%	2.5%	2.8%		
Nov. 2024 CEFC Forecast	30.8%	8.4%	4.6%	9.0%	0.5%	2.0%	2.0%	2.0%	2.0%
TY Liability (\$M)	2021	2022	2023	2024	2025 /1	2026 /1	2027 /1	2028 /1	2029 /1
Marc 2024 RFC Forecast	\$ 330.1	\$ 442.3	\$ 422.5	\$ 426.8	\$ 435.4	\$ 455.2	\$ 468.0		
Dec. 2024 RFC Forecast	\$ 331.8	\$ 434.4	\$ 445.4	\$ 475.5	\$ 477.9	\$ 487.4	\$ 497.2	\$ 487.4	\$ 497.2
FY Revenue (\$M)	2021	2022	2023	2024	2025	2026	2027	2028	2029
March 2024 RFC Forecast	\$ 284.3	\$ 415.8	\$ 451.2	\$ 436.0	\$ 428.0	\$ 416.0	\$ 432.0	\$ -	\$ -
Dec. 2024 RFC Forecast	\$ 284.3	\$ 415.8	\$ 451.2	\$ 459.8	\$ 445.0	\$ 423.0	\$ 447.0	\$ 457.0	\$ 477.0
<i>Difference</i>				\$ 23.75	\$ 17.0	\$ 7.0	\$ 15.0	\$ 457.0	\$ 477.0
1/ Does not include the Dirigo Investment Credit. The revenue impact of Dirigo is layered onto the fiscal year revenue forecast.									

Estate Tax

Fiscal Year Estate Tax Revenues



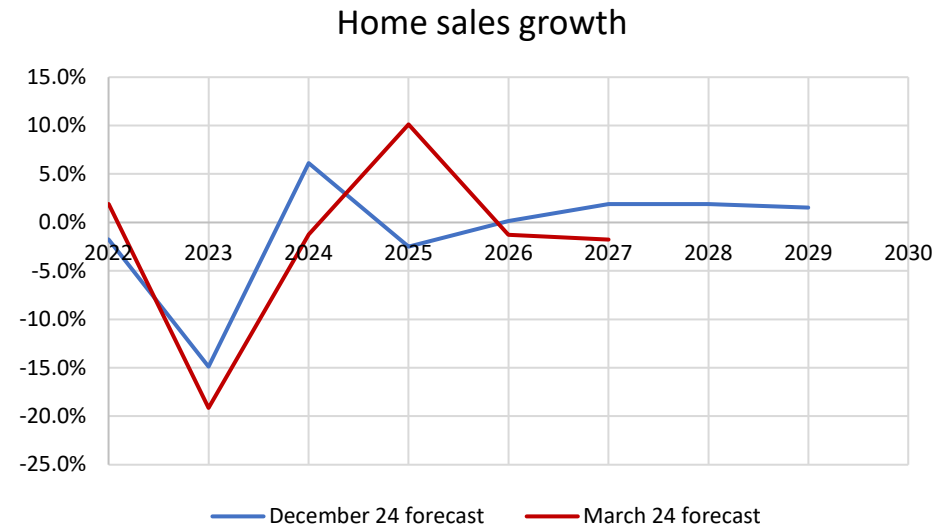
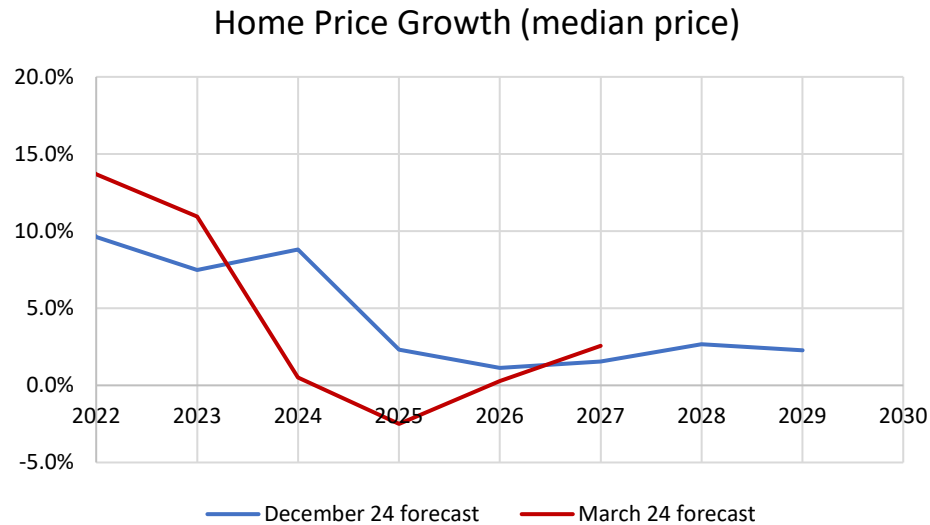
EstateTax

	Actual				December 1, 2024 Forecast				March 1, 2024 Forecast			
Calendar Year	Exemption Amount	Liability /1 /2	Fiscal Year Receipts /3	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Difference in Fiscal Year Receipts
2018	\$ 5,600,000	\$ 22,055,650	\$ 13,801,409									
2019	\$ 5,700,000	\$ 14,143,679	\$ 15,851,350									
2020	\$ 5,800,000	\$ 44,293,194	\$ 21,079,344									
2021	\$ 5,870,000	\$ 47,308,346	\$ 40,399,594									
2022	\$ 6,010,000	\$ 12,812,098	\$ 34,183,165									
2023	\$ 6,410,000	\$ 32,328,795	\$ 30,117,577			\$34,757,723			5.0%	\$27,494,830		
2024	\$ 6,800,000	\$ 275,066	\$ 29,051,766	\$6,800,000	8.3%	\$38,504,463	\$29,051,766	\$6,800,000	2.5%	\$27,419,284	\$18,840,000	\$ 10,211,766
2025			\$ 20,479,833	\$7,000,000	2.1%	\$35,223,635	\$38,830,000	\$7,020,000	2.2%	\$27,817,527	\$27,440,000	\$ 11,390,000
2026				\$7,160,000	3.2%	\$36,702,705	\$36,040,000	\$7,210,000	2.9%	\$28,728,750	\$27,720,000	\$ 8,320,000
2027				\$7,320,000	3.5%	\$35,727,169	\$36,330,000	\$7,400,000	3.3%		\$27,820,000	\$ 8,510,000
2028				\$7,480,000	3.3%	\$40,193,738	\$35,970,000					\$ 35,970,000
2029				\$7,640,000			\$39,080,000					\$ 39,080,000
1/ Subject to change because of amended returns												
2/ Through November 12, 2024												
3/ Includes actual receipts through October 31, 2024												

Other Taxes

Real Estate Transfer Tax

- Finished FY24 165,303 under budget
- New forecast increases FY25 revenue by \$486,000, then decreases FY26 and FY27 by \$316,000 and \$655,000



BETE

Fiscal Year	Budget	Growth	Actual and Recommended Forecast	Growth	Revision
2022	\$58.40		\$58.40		
2023	\$62.85	7.62%	\$62.85	7.62%	
2024	\$64.73	2.99%	\$64.78	3.07%	\$0.05
2025	\$69.21	6.84%	\$70.73	9.19%	\$1.52
2026	\$73.38	3.75%	\$73.60	4.05%	\$0.22
2027	\$77.71	5.59%	\$76.58	4.05%	(\$1.13)
2028			\$79.67	4.04%	
2029			\$82.92	4.08%	

- Data for 2024 MVR is available from 80% of municipalities, suggesting the growth BETE reimbursable property is higher than projected in the last forecast, leading to increase in the reimbursement amount in FY25.
- In later years, slower projected growth in reimbursable property leads to a negative revision by FY27.

Cigarette, Tobacco, and Cannabis Excise Taxes

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$147.2	7.2%		
2022	\$148.5	0.9%		
2023	\$149.9	0.9%		
2024	\$144.1	-3.8%		
2025	\$150.9	4.7%	-\$5.67	-3.6%
2026	\$153.8	1.9%	-\$5.72	-3.6%
2027	\$153.5	-0.2%	-\$7.59	-4.7%
2028	\$153.1	-0.2%		
2029	\$152.9	-0.1%		

Source of Forecast Adjustments

\$million
(%)

	2025	2026	2027
Cigarette tax	-\$5.70 (-5.48%)	-\$4.15 (-4.09%)	-\$4.57 (-4.60%)
Tobacco products tax	\$0.46 (1.40%)	\$0.25 (0.69%)	-\$0.40 (-1.07%)
Adult use cannabis excise tax	-\$0.43 (-2.19%)	-\$1.81 (-8.14%)	-\$2.62 (-10.69%)

- Cigarette tax dropped faster than expected, ending FY24 \$7 million under budget, leading to negative revisions of \$4-6 million each year
- Tobacco products tax was projected to increase in FY24, but it dropped, finishing \$1.4 million under budget. This August, synthetic nicotine was made subject to the tax. Since then it has picked up and is now \$200,000 over budget.
- Growth in adult use cannabis excise tax is projected to slow along with the sales tax

Gas Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$183.4	-5.6%		
2022	\$195.5	6.6%		
2023	\$196.0	0.2%		
2024	\$198.9	1.4%		
2025	\$200.9	1.0%	\$8.63	4.5%
2026	\$201.7	0.4%	\$10.78	5.6%
2027	\$201.9	0.1%	\$12.39	6.5%
2028	\$202.1	0.1%		
2029	\$202.3	0.1%		

- Last forecast projected a decline resulting from increasing fuel economy.
- FY24 finished \$3.5 million over budget. FY25 through October is \$3 million over budget.
- New forecast projects slowing growth.

Special Fuel Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$47.9	0.9%		
2022	\$50.2	4.9%		
2023	\$49.3	-1.7%		
2024	\$46.9	-4.9%		
2025	\$48.9	4.3%	-\$0.60	-1.2%
2026	\$47.7	-2.5%	-\$2.20	-4.4%
2027	\$47.9	0.3%	-\$2.26	-4.5%
2028	\$48.0	0.3%		
2029	\$48.2	0.3%		

- Finished FY24 \$1.85 million under budget. FY25 through October is \$1.34 million over budget. Both variances partly due to timing of payments.
- Long-term trend is consistently reduced from prior forecast.



APPENDIX G

Other Background Materials

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Revenue Forecasting Committee - December 2024 - Hollywood Casino Bangor

GENERAL FUND REVENUE		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Current Forecast - General Fund Revenue				\$9,083,983	\$9,092,125	\$9,100,341		
Incremental Effect of December 2024 Forecast				(\$16,742)	\$169,729	\$253,072	\$9,445,875	\$9,539,247
December 2024 Forecast - Revised General Fund Revenue				\$9,067,241	\$9,261,854	\$9,353,413	\$9,445,875	\$9,539,247
FUND FOR A HEALTHY MAINE REVENUE		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Current Forecast - Fund for a Healthy Maine Revenue				\$5,594,689	\$5,595,248	\$5,595,808		
Incremental Effect of December 2024 Forecast				(\$371,602)	\$55,262	\$111,207	\$5,764,085	\$5,821,726
December 2024 Forecast - Fund for a Healthy Maine Revenue				\$5,223,087	\$5,650,510	\$5,707,015	\$5,764,085	\$5,821,726
Detail of Current Revenue Forecast - Distribution of Total Income		Actual	Actual	YTD	Projected	Projected	Projected	Projected
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Gross Slot Income (Coin/Voucher In)	A	\$598,146,504	\$609,718,006	\$620,429,074	\$627,834,404	\$634,112,748	\$640,453,876	\$646,858,414
Player's Share (Payback Value)	B	\$546,784,363	\$557,069,597	\$561,993,909	\$565,050,964	\$570,701,473	\$576,408,488	\$582,172,573
3% Distribution to City of Bangor (.03*(A-B))	3.0%	\$1,540,864	\$1,579,452	\$1,753,055	\$1,883,503	\$1,902,338	\$1,921,362	\$1,940,575
General Fund - Administration (1% of Gross Slot Income)	C 1.0%	\$5,981,465	\$6,097,180	\$6,204,291	\$6,278,344	\$6,341,127	\$6,404,539	\$6,468,584
Net Slot Machine Income (=A-B-C)		\$45,380,676	\$46,551,229	\$52,230,874	\$56,505,096	\$57,070,148	\$57,640,849	\$58,217,257
Licenses' Share of Net Slot Machine Income	61.0%	\$27,682,212	\$28,396,250	\$31,860,833	\$34,468,109	\$34,812,790	\$35,160,918	\$35,512,527
Licenses' Share of Net Slot after 3% Distribution to Bangor		\$26,141,348	\$26,816,798	\$30,107,778	\$32,584,606	\$32,910,452	\$33,239,556	\$33,571,952
Net Table Game Income		\$7,678,940	\$8,663,622	\$9,707,941	\$9,147,850	\$9,216,459	\$9,285,582	\$9,355,224
Licenses' Share of Net Table Game Income	84.0%	\$6,450,310	\$7,277,442	\$8,154,671	\$7,684,194	\$7,741,825	\$7,799,889	\$7,858,388
Distribution of State Share of Net Slot Machine Income		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
General Fund (other)	3.0%	\$1,361,420	\$1,396,537	\$1,566,926	\$1,695,153	\$1,712,104	\$1,729,225	\$1,746,518
General Fund (After 48 months - November 2009)	1.0%	\$453,807	\$465,512	\$522,309	\$565,051	\$570,701	\$576,408	\$582,173
Fund for a Healthy Maine (FHM)	10.0%	\$4,538,068	\$4,655,123	\$5,223,087	\$5,650,510	\$5,707,015	\$5,764,085	\$5,821,726
University of Maine Scholarship Fund (2% until 9/1/13)	1.92%	\$871,309	\$893,784	\$1,002,833	\$1,084,898	\$1,095,747	\$1,106,704	\$1,117,771
Maine Maritime Academy Scholarship Program (beginning 9/1/13)	0.08%	\$36,305	\$37,241	\$41,785	\$45,204	\$45,656	\$46,113	\$46,574
Maine Community College System - Scholarship Funds	1.0%	\$453,807	\$465,512	\$522,309	\$565,051	\$570,701	\$576,408	\$582,173
Resident Municipalities	1.0%	\$453,807	\$465,512	\$522,309	\$565,051	\$570,701	\$576,408	\$582,173
Supplement Harness Racing Purses	10.0%	\$4,538,068	\$4,655,123	\$5,223,087	\$5,650,510	\$5,707,015	\$5,764,085	\$5,821,726
Sire Stakes Fund	3.0%	\$1,361,420	\$1,396,537	\$1,566,926	\$1,695,153	\$1,712,104	\$1,729,225	\$1,746,518
Fund to Encourage Racing at Maine's Commercial Tracks	4.0%	\$1,815,227	\$1,862,049	\$2,089,235	\$2,260,204	\$2,282,806	\$2,305,634	\$2,328,690
Fund to Stabilize Off-Track Betting (after 48 months - Nov 2009)	1.0%	\$453,807	\$465,512	\$522,309	\$565,051	\$570,701	\$576,408	\$582,173
Agricultural Fair Support Fund	3.0%	\$1,361,420	\$1,396,537	\$1,566,926	\$1,695,153	\$1,712,104	\$1,729,225	\$1,746,518
GF Transfer to Gambling Addiction Prevention and Treatment Fund		(\$100,000)	(\$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	\$100,000
Distribution of State Share of Net Table Game Income		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
General Fund	9.0%	\$691,105	\$779,726	\$873,715	\$823,306	\$829,481	\$835,702	\$841,970
Gambling Control Board	3.0%	\$230,368	\$259,909	\$291,238	\$274,435	\$276,494	\$278,567	\$280,657
Municipality	2.0%	\$153,579	\$173,272	\$194,159	\$182,957	\$184,329	\$185,712	\$187,104
Coordinated Veterans Assistance Fund	2.0%	\$153,579	\$173,272	\$194,159	\$182,957	\$184,329	\$185,712	\$187,104
Revenue Summary		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
General Fund								
General Fund Administration (1% of gross slot income)		\$5,981,465	\$6,097,180	\$6,204,291	\$6,278,344	\$6,341,127	\$6,404,539	\$6,468,584
General Fund (Other)		\$2,406,332	\$2,541,775	\$2,862,950	\$2,983,510	\$3,012,286	\$3,041,336	\$3,070,663
Licensing revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$8,387,797	\$8,638,955	\$9,067,241	\$9,261,854	\$9,353,413	\$9,445,875	\$9,539,247
Fund for a Healthy Maine		\$4,538,068	\$4,655,123	\$5,223,087	\$5,650,510	\$5,707,015	\$5,764,085	\$5,821,726
Other Special Revenue Funds								
Harness Racing Commission		\$9,529,942	\$9,775,758	\$10,968,483	\$11,866,071	\$11,984,730	\$12,104,578	\$12,225,627
HRC - Subtotal		\$9,529,942	\$9,775,758	\$10,968,483	\$11,866,071	\$11,984,730	\$12,104,578	\$12,225,627
PUS- host municipalities		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
University of Maine Scholarship Fund		\$871,309	\$893,784	\$1,002,833	\$1,084,898	\$1,095,747	\$1,106,704	\$1,117,771
Maine Maritime Academy Scholarship Program		\$36,305	\$37,241	\$41,785	\$45,204	\$45,656	\$46,113	\$46,574
Maine Community College System Scholarships		\$453,807	\$465,512	\$522,309	\$565,051	\$570,701	\$576,408	\$582,173
Resident Municipalities		\$607,386	\$638,784	\$716,468	\$748,008	\$755,030	\$762,120	\$769,277
Gambling Addiction Prevention and Treatment Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Gambling Control Board		\$760,268	\$789,809	\$821,138	\$804,335	\$806,394	\$808,467	\$810,557
Coordinated Veterans Assistance Fund		\$153,579	\$173,272	\$194,159	\$182,957	\$184,329	\$185,712	\$187,104
Subtotal - Other Special Revenue Funds		\$12,537,596	\$12,899,160	\$14,392,175	\$15,421,524	\$15,567,587	\$15,715,102	\$15,864,083

Revenue Forecasting Committee - December 2024 - Oxford Casino

GENERAL FUND REVENUE		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Current Forecast - General Fund Revenue				\$2,791,094	\$2,860,871	\$2,932,393		
Incremental Effect of December 2024 Forecast				(\$181,917)	(\$171,328)	(\$162,164)	\$2,853,336	\$2,938,936
December 2024 - Revised General Fund Revenue				\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
Detail of Current Revenue Forecast - Distribution of Total Income								
		Actual	Actual	YTD	Projected	Projected	Projected	Projected
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Total Net Slot Machine Income		\$90,983,030	\$88,515,630	\$86,972,550	\$89,651,418	\$92,340,961	\$95,111,189	\$97,964,525
Total Net Table Game Income		\$17,030,005	\$15,653,914	\$16,879,083	\$18,030,638	\$18,210,944	\$18,393,053	\$18,576,984
Licensees' Share of Total Net Slot Machine Income	54.0%	\$49,130,836	\$47,798,440	\$46,965,177	\$48,411,766	\$49,864,119	\$51,360,042	\$52,900,844
Licensees' Share of Total Net Table Game Income	84.0%	\$14,305,204	\$13,149,288	\$14,178,430	\$15,145,736	\$15,297,193	\$15,450,165	\$15,604,667
Total Licensees' Share of Net Income		\$63,436,040	\$60,947,728	\$61,143,607	\$63,557,502	\$65,161,312	\$66,810,207	\$68,505,511
Distribution of State Share of Net Slot Machine Income								
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
K-12 Essential Programs and Services	25.0%	\$22,745,758	\$22,128,908	\$21,743,138	\$22,412,855	\$23,085,240	\$23,777,797	\$24,491,131
Maine's Penobscot and Passamaquoddy Indian Tribes	4.0%	\$3,639,321	\$3,540,625	\$3,478,902	\$3,586,057	\$3,693,638	\$3,804,448	\$3,918,581
General Fund - Administration	3.0%	\$2,729,491	\$2,655,469	\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
University of Maine System Scholarship Fund (4% until 9/1/13)	3.83%	\$3,484,650	\$3,390,149	\$3,331,049	\$3,433,649	\$3,536,659	\$3,642,759	\$3,752,041
Maine Maritime Academy Scholarship Program (Beginning 9/1/13)	0.17%	\$154,671	\$150,477	\$147,853	\$152,407	\$156,980	\$161,689	\$166,540
Agricultural Fair Support Fund	1.0%	\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
Municipality in which casino is located	2.0%	\$1,819,661	\$1,770,313	\$1,739,451	\$1,793,028	\$1,846,819	\$1,902,224	\$1,959,291
Maine Community College System Scholarship Programs	3.0%	\$2,729,491	\$2,655,469	\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
Fund to Supplement Harness Racing Purses	1.0%	\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
Sire Stakes Fund	1.0%	\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
County in which casino is located	1.0%	\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
Maine Dairy Farm Stabilization Fund (1% until 7/1/13)	0.5%	\$454,915	\$442,578	\$434,863	\$448,257	\$461,705	\$475,556	\$489,823
Dairy Improvement Fund (Beginning 7/1/13)	0.5%	\$454,915	\$442,578	\$434,863	\$448,257	\$461,705	\$475,556	\$489,823
Distribution of State Share of Net Table Game Income								
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
K-12 Essential Programs and Services	10.0%	\$1,703,001	\$1,565,391	\$1,687,908	\$1,803,064	\$1,821,094	\$1,839,305	\$1,857,698
Gambling Control Board	3.0%	\$510,900	\$469,617	\$506,372	\$540,919	\$546,328	\$551,792	\$557,310
Municipality in which casino is located	2.0%	\$340,600	\$313,078	\$337,582	\$360,613	\$364,219	\$367,861	\$371,540
County in which casino is located	1.0%	\$170,300	\$156,539	\$168,791	\$180,306	\$182,109	\$183,931	\$185,770
Revenue Summary								
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
General Fund								
General Fund Administration		\$2,729,491	\$2,655,469	\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
License Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - General Fund		\$2,729,491	\$2,655,469	\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
Other Special Revenue Funds								
Gambling Control Board		\$709,225	\$667,942	\$704,697	\$739,244	\$744,653	\$750,117	\$755,635
K-12 Essential Programs and Services		\$24,448,759	\$23,694,299	\$23,431,046	\$24,215,919	\$24,906,334	\$25,617,102	\$26,348,829
Maine's Penobscot and Passamaquoddy Indian Tribes		\$3,639,321	\$3,540,625	\$3,478,902	\$3,586,057	\$3,693,638	\$3,804,448	\$3,918,581
University of Maine System Scholarship Fund		\$3,484,650	\$3,390,149	\$3,331,049	\$3,433,649	\$3,536,659	\$3,642,759	\$3,752,041
Maine Maritime Academy Scholarship Program		\$154,671	\$150,477	\$147,853	\$152,407	\$156,980	\$161,689	\$166,540
Agricultural Fair Support Fund		\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
Municipality in which casino is located		\$2,160,261	\$2,083,391	\$2,077,033	\$2,153,641	\$2,211,038	\$2,270,085	\$2,330,831
Maine Community College System Scholarship Programs		\$2,729,491	\$2,655,469	\$2,609,177	\$2,689,543	\$2,770,229	\$2,853,336	\$2,938,936
Fund to Supplement Harness Racing Purses		\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
Sire Stakes Fund		\$909,830	\$885,156	\$869,726	\$896,514	\$923,410	\$951,112	\$979,645
County in which casino is located		\$1,080,130	\$1,041,695	\$1,038,517	\$1,076,820	\$1,105,519	\$1,135,043	\$1,165,415
Maine Dairy Farm Stabilization Fund		\$454,915	\$442,578	\$434,863	\$448,257	\$461,705	\$475,556	\$489,823
Dairy Improvement Fund		\$454,915	\$442,578	\$434,863	\$448,257	\$461,705	\$475,556	\$489,823
Subtotal - Other Special Revenue Funds		\$42,045,828	\$40,764,671	\$40,297,178	\$41,633,336	\$42,818,690	\$44,039,027	\$45,295,389

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	\$23.33	\$69,717
July	\$20.57	\$176,246	\$24.36	\$73,165
August	\$19.87	\$232,444	\$24.57	\$80,976
Sept.	\$22.15	\$70,247	\$24.85	\$71,234
Oct.	\$22.72	\$67,823	\$26.42	\$68,000
Nov.	\$23.00	\$78,584	\$25.78	\$68,000
Dec.	\$23.01	\$42,332	\$24.53	\$68,000
Jan.	\$21.73	\$77,296	\$24.61	\$68,000
Feb.	\$21.24	\$65,696	\$24.56	\$68,000
March	\$22.05	\$69,973	\$24.56	\$68,000
April	\$22.43	\$68,648	\$24.54	\$68,000
May	\$21.71	\$75,572	\$24.48	\$68,000
		\$1,107,759		\$839,092

TIER PROGRAM PAYMENTS

		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	Support/CWT	Pounds	Payment
FY25	Jun-24	\$21.83	\$0.00	\$0.26	\$2.24	46,086,359	\$1,034,301
	Jul-24	\$22.26	\$0.00	\$0.29	\$1.25	45,661,980	\$572,817
	Aug-24	\$22.64	\$0.00	\$0.29	\$0.69	45,429,301	\$313,186
	Sep-24	\$23.57	\$0.00	\$0.29	\$0.19	43,274,095	\$81,652
	Oct-24	\$22.93	\$0.00	\$0.29	\$0.34	43,753,239	\$149,380
	Nov-24	\$22.60	\$0.00	\$0.29	\$0.45	41,528,938	\$184,845
	Dec-24	\$22.31	\$0.00	\$0.29	\$0.52	42,740,903	\$221,511
	Jan-25	\$22.32	\$0.00	\$0.29	\$0.49	43,689,929	\$214,243
	Feb-25	\$22.26	\$0.00	\$0.29	\$0.46	42,046,736	\$195,486
	Mar-25	\$22.31	\$0.00	\$0.29	\$0.39	46,893,702	\$182,831
	Apr-25	\$22.23	\$0.00	\$0.29	\$0.40	45,842,063	\$181,599
	May-25	\$22.28	\$0.00	\$0.29	\$0.37	48,049,154	\$176,192
						FY25 Exp	\$ 3,508,044
						.5% of net slot income from Oxford Casino	\$ 434,863
						Net GF Exp	\$ 3,073,181

Milk Handling Fee and Transfer to Maine Milk Pool

HANDLING FEE INCOME

	FY26	FY26	FY27	FY27
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$24.57	\$68,000	\$21.50	\$68,000
July	\$24.73	\$68,000	\$21.50	\$68,000
August	\$24.74	\$68,000	\$21.50	\$68,000
Sept.	\$24.79	\$68,000	\$21.50	\$68,000
Oct.	\$24.83	\$68,000	\$21.50	\$68,000
Nov.	\$24.85	\$68,000	\$21.50	\$68,000
Dec.	\$24.69	\$68,000	\$21.00	\$68,000
Jan.	\$23.00	\$68,000	\$21.00	\$68,000
Feb.	\$23.00	\$68,000	\$21.00	\$68,000
March	\$22.50	\$68,000	\$21.00	\$68,000
April	\$22.00	\$68,000	\$21.00	\$68,000
May	\$21.50	\$68,000	\$21.00	\$68,000
		\$816,000		\$816,000

TIER PROGRAM PAYMENTS

FY26	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
Jun-25	\$22.34	\$0.00	\$0.29	\$1.76	46,086,359	\$809,524
Jul-25	\$22.43	\$0.00	\$0.29	\$1.19	45,661,980	\$542,944
Aug-25	\$22.49	\$0.00	\$0.29	\$0.89	45,429,301	\$404,911
Sep-25	\$22.56	\$0.00	\$0.29	\$0.65	43,274,095	\$281,555
Oct-25	\$22.61	\$0.00	\$0.29	\$0.61	43,879,140	\$266,784
Nov-25	\$22.48	\$0.00	\$0.29	\$0.54	41,528,938	\$224,314
Dec-25	\$22.23	\$0.00	\$0.29	\$0.61	42,740,903	\$260,377
Jan-26	\$21.50	\$0.00	\$0.29	\$1.00	43,689,929	\$436,769
Feb-26	\$21.50	\$0.00	\$0.29	\$0.87	42,046,736	\$364,638
Mar-26	\$20.00	\$0.00	\$0.29	\$2.28	46,893,702	\$1,069,558
Apr-26	\$20.00	\$0.00	\$0.29	\$2.27	45,842,063	\$1,039,124
May-26	\$19.50	\$0.00	\$0.29	\$2.64	48,049,154	\$1,270,802
					FY26 Exp	\$ 6,971,299
					.5% of net slot income from Oxford Casino	\$ 448,257
					Net GF Exp	\$ 6,523,042

FY27	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.08	\$0.00	\$0.29	\$3.72	535,122,300	\$ 19,913,837
					FY27 Exp	\$ 19,913,837
					.5% of net slot income from Oxford Casino	\$ 461,705
					Net GF Exp	\$ 19,452,132

Milk Handling Fee and Transfer to Maine Milk Pool

HANDLING FEE INCOME

	FY28	FY28	FY29	FY29
Month	Basic Price	Revenue	Basic Price	Revenue
June	\$21.25	\$68,000	\$21.25	\$68,000
July	\$21.50	\$68,000	\$21.50	\$68,000
August	\$21.50	\$68,000	\$21.50	\$68,000
Sept.	\$21.50	\$68,000	\$21.50	\$68,000
Oct.	\$21.50	\$68,000	\$21.50	\$68,000
Nov.	\$21.50	\$68,000	\$21.50	\$68,000
Dec.	\$21.00	\$68,000	\$21.00	\$68,000
Jan.	\$20.80	\$136,000	\$20.80	\$136,000
Feb.	\$20.70	\$136,000	\$20.70	\$136,000
March	\$20.60	\$136,000	\$20.60	\$136,000
April	\$20.80	\$136,000	\$20.80	\$136,000
May	\$21.00	\$68,000	\$21.00	\$68,000
		\$1,088,000		\$1,088,000

TIER PROGRAM PAYMENTS

FY28	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.00	\$0.00	\$0.29	\$3.81	535,122,300	\$ 20,375,508
					FY26 Exp	\$ 20,375,508
					.5% of net slot income from Oxford Casino	\$ 475,556
					Net GF Exp	\$ 19,899,952

FY29	Federal Blend/CWT	Federal MILC/CWT	Average Premium	Average Support/CWT	Total Pounds	Support Payment
	\$19.00	\$0.00	\$0.30	\$3.80	535,122,300	\$ 20,321,980
					FY27 Exp	\$ 20,321,980
					.5% of net slot income from Oxford Casino	\$ 489,823
					Net GF Exp	\$ 19,832,157

NOTES:

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

Tier target prices: \$24.51, \$23.37, \$22.60, \$21.88 Effective July 1, 2024 - present

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

Agri-Mark's 10/28/2024 forecast ends in December 2025. Prices after that date are not based on any market data.

Numbers in italics are estimates

Prepared by:

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

Adjusted by OFPR to include Oxford Casino slot income.

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

			FY 2018	2017-2018	FY 2019	2018-2019	FY 2020	2019-2020	FY 2021	2020-2021	FY 2022	2021-2022	FY 2023	2022-2023	FY 2024	2023-2024
New Approp	REV SHORT	REV SRC	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.	Actuals	% Chg.
01410A014802	NURSING FACILITIES-NF TAX	0670	33,755,577	-6.7%	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%	44,811,586	5.8%
01410AZ19753	RES TRMT FACILITIES TAX	0671	1,905,823	7.2%	1,886,325	-1.0%	2,061,980	9.3%	2,336,341	13.3%	2,505,132	7.2%	2,789,666	11.4%	3,617,879	29.7%
01410AZ21057	RES TRMT FACILITIES TAX	0671	61,404	4.6%	60,153	-2.0%	65,649	9.1%	60,626	-7.7%	70,748	16.7%	76,519	8.2%	118,472	54.8%
01410AZ21254	RES TRMT FACILITIES TAX	0671	110,852	7.7%	109,027	-1.6%	122,693	12.5%	140,993	14.9%	165,864	17.6%	173,929	4.9%	213,935	23.0%
Subtotal RTF Tax			2,078,079	7.2%	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%	3,950,286	29.9%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	103,355,698	8.8%	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%	125,773,075	0.9%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	759,814	4.0%	793,987	4.5%	767,968	-3.3%	655,253	-14.7%	528,859	-19.3%	536,387	1.4%	691,140	28.9%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	21,859,304	7.0%	23,642,031	8.2%	25,264,933	6.9%	24,877,236	-1.5%	25,433,727	2.2%	28,210,348	10.9%	29,665,795	5.2%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,090,313	4.0%	3,229,302	4.5%	3,104,342	-3.9%	5,907,990	90.3%	4,846,669	-18.0%	5,373,362	10.9%	7,295,660	35.8%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	3,315,623	13.3%	3,532,821	6.6%	3,278,670	-7.2%	3,319,023	1.2%	3,735,602	12.6%	3,950,148	5.7%	4,575,794	15.8%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	816,485	4.0%	853,207	4.5%	819,676	-3.9%	200,278	-75.6%	157,981	-21.1%	218,847	38.5%	349,424	59.7%
01410A014701	MEDICAL CARE SERVICES	0675	16,118,882	1.6%	18,373,373	14.0%	19,754,717	7.5%	16,620,835	-15.9%	17,984,903	8.2%	19,467,378	8.2%	20,555,998	5.6%
Subtotal Service Provider (PNMI) Tax			45,960,421	5.1%	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%	63,133,811	9.3%
			185,149,775	4.7%	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%	237,668,758	4.3%
	Nursing Home Tax		33,755,577	-6.7%	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%	44,811,586	5.8%
	RTFs Tax		2,078,079	7.2%	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%	3,950,286	29.9%
	Hospital Tax		103,355,698	8.8%	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%	125,773,075	0.9%
	Service Provider (PNMI) Tax		45,960,421	5.1%	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%	63,133,811	9.3%
			185,149,775	4.7%	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%	237,668,758	4.3%

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

			FY 2025	FY 2025	FY 2025	FY 2025	FY 2025	2024-2025	FY 2026	FY 2026	FY 2026	FY 2026	FY 2026	2025-2026
New Approp	REV SHORT	REV SRC	Rev. Est.	Leg. Changes	Rev. Budget	Req. Chg.	Rev. Est.	% Chg.	Rev. Est.	Leg. Changes	Rev. Budget	Req. Chg.	Rev. Est.	% Chg.
			Mar-24	Dec-24	Dec-24	Dec-24	Dec-24		Mar-24	Dec-24	Dec-24	Dec-24	Dec-24	
01410A014802	NURSING FACILITIES-NF TAX	0670	45,618,022	5,697,261	51,315,283	(3,639,290)	47,675,993	6.4%	45,618,022	796,349	46,414,371	1,455,716	47,870,087	0.4%
01410AZ19753	RES TRMT FACILITIES TAX	0671	3,300,000	0	3,300,000	0	3,300,000	-8.8%	3,300,000	0	3,300,000	0	3,300,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	100,000	0	100,000	0	100,000	-15.6%	100,000	0	100,000	0	100,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	196,000	0	196,000	0	196,000	-8.4%	196,000	0	196,000	0	196,000	0.0%
Subtotal RTF Tax			3,596,000	0	3,596,000	0	3,596,000	-9.0%	3,596,000	0	3,596,000	0	3,596,000	0.0%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	122,298,490	29,472,420	151,770,910		151,770,910	20.7%	122,298,490	29,472,420	151,770,910		151,770,910	0.0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	349,727	0	349,727	0	349,727	-49.4%	0	0	0	0	0	-100.0%
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	18,718,191	0	18,718,191	0	18,718,191	-36.9%	0	0	0	0	0	-100.0%
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	3,654,506	0	3,654,506	0	3,654,506	-49.9%	0	0	0	0	0	-100.0%
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	2,510,907	0	2,510,907	0	2,510,907	-45.1%	0	0	0	0	0	-100.0%
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	167,665	0	167,665	0	167,665	-52.0%	0	0	0	0	0	-100.0%
01410A014701	MEDICAL CARE SERVICES	0675	12,260,937	460,671	12,721,608	0	12,721,608	-38.1%	0	0	0		0	-100.0%
Subtotal Service Provider (PNMI) Tax			37,661,933	460,671	38,122,604	0	38,122,604	-39.6%	0	0	0	0	0	-100.0%
			209,174,445	35,630,352	244,804,797	(3,639,290)	241,165,507	1.5%	171,512,512	30,268,769	201,781,281	1,455,716	203,236,997	-15.7%
	Nursing Home Tax		45,618,022	5,697,261	51,315,283	(3,639,290)	47,675,993	6.4%	45,618,022	796,349	46,414,371	1,455,716	47,870,087	0.4%
	RTF's Tax		3,596,000	0	3,596,000	0	3,596,000	-9.0%	3,596,000	0	3,596,000	0	3,596,000	0.0%
	Hospital Tax		122,298,490	29,472,420	151,770,910	0	151,770,910	20.7%	122,298,490	29,472,420	151,770,910	0	151,770,910	0.0%
	Service Provider (PNMI) Tax		37,661,933	460,671	38,122,604	0	38,122,604	-39.6%	0	0	0	0	0	-100.0%
			209,174,445	35,630,352	244,804,797	(3,639,290)	241,165,507	1.5%	171,512,512	30,268,769	201,781,281	1,455,716	203,236,997	-15.7%

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

			FY 2027	FY 2027	FY 2027	FY 2027	FY 2027	2026-2027	FY 2028	2027-2028	FY 2029	2028-2029
New Approp	REV SHORT	REV SRC	Rev. Est.	Leg. Changes	Rev. Budget	Req. Chg.	Rev. Est.	% Chg.	Forecast	% Chg.	Forecast	% Chg.
			Mar-24	Dec-24	Dec-24	Dec-24	Dec-24		Dec-24		Dec-24	
01410A014802	NURSING FACILITIES-NF TAX	0670	45,618,022	796,349	46,414,371	1,455,716	47,870,087	0.0%	47,870,087	0.0%	47,870,087	0.0%
01410AZ19753	RES TRMT FACILITIES TAX	0671	3,300,000	0	3,300,000	0	3,300,000	0.0%	3,300,000	0.0%	3,300,000	0.0%
01410AZ21057	RES TRMT FACILITIES TAX	0671	100,000	0	100,000	0	100,000	0.0%	100,000	0.0%	100,000	0.0%
01410AZ21254	RES TRMT FACILITIES TAX	0671	196,000	0	196,000	0	196,000	0.0%	196,000	0.0%	196,000	0.0%
Subtotal RTF Tax			3,596,000	0	3,596,000	0	3,596,000	0.0%	3,596,000	0.0%	3,596,000	0.0%
01410A014704	MEDICAL CARE-HOSPITAL TAX	1913	122,298,490	29,472,420	151,770,910		151,770,910	0.0%	151,770,910	0.0%	151,770,910	0.0%
01410AZ21050	MED MATCH MR-PNMI TAX	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
01410AZ21052	MED MATCH MR-SERV PROV TAX	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
01410AZ20144	MH SERV COMM MED-PNMI TAX	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
01410AZ20140	MH COMMUNITY SUPPORT TAX	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
01410AZ20241	MEDICAID SEED-PNMI TAX	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
01410A014701	MEDICAL CARE SERVICES	0675	0	0	0	0	0	N/A	0	N/A	0	N/A
Subtotal Service Provider (PNMI) Tax			0	0	0	0	0	N/A	0	N/A	0	N/A
			171,512,512	30,268,769	201,781,281	1,455,716	203,236,997	0.0%	203,236,997	0.0%	203,236,997	0.0%
	Nursing Home Tax		45,618,022	796,349	46,414,371	1,455,716	47,870,087	0.0%	47,870,087	0.0%	47,870,087	0.0%
	RTFs Tax		3,596,000	0	3,596,000	0	3,596,000	0.0%	3,596,000	0.0%	3,596,000	0.0%
	Hospital Tax		122,298,490	29,472,420	151,770,910	0	151,770,910	0.0%	151,770,910	0.0%	151,770,910	0.0%
	Service Provider (PNMI) Tax		0	0	0	0	0	N/A	0	N/A	0	N/A
			171,512,512	30,268,769	201,781,281	1,455,716	203,236,997	0.0%	203,236,997	0.0%	203,236,997	0.0%

Revenue Forecasting Committee - December 2024 - Advanced Deposit Wagering

Advanced Deposit Wagering Activity		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
ADW Activity								
ME resident activity on Maine races		\$ 270,181	\$ 282,832	\$ 284,247	\$ 285,668	\$ 287,096	\$ 288,532	\$ 289,974
ME resident activity on non-Maine events		\$ 4,937,719	\$ 4,235,826	\$ 4,257,005	\$ 4,278,290	\$ 4,299,681	\$ 4,321,180	\$ 4,342,786
Total ADW Activity		\$ 5,207,900	\$ 4,518,658	\$ 4,541,251	\$ 4,563,958	\$ 4,586,777	\$ 4,609,711	\$ 4,632,760
Total Tax Revenue Due to State	5%	\$ 260,395	\$ 225,933	\$ 227,063	\$ 228,198	\$ 229,339	\$ 230,486	\$ 231,638
		2022-23 Actuals	2023-24 Actuals	2024-25 Est	2025-26 Projected	2026-27 Projected	2027-28 Projected	2027-29 Projected
General Fund Revenue								
In State		\$ 1,351	\$ 1,414	\$ 1,421	\$ 1,428	\$ 1,435	\$ 1,443	\$ 1,450
Out of State		\$ 24,689	\$ 21,179	\$ 21,285	\$ 21,391	\$ 21,498	\$ 21,606	\$ 21,714
General Fund Revenue Total		\$ 26,040	\$ 22,593	\$ 22,706	\$ 22,820	\$ 22,934	\$ 23,049	\$ 23,164
Other Special Revenue Funds								
<u>In-State</u>								
Distribution to OTB Facilities		\$ 2,702	\$ 2,828	\$ 2,842	\$ 2,857	\$ 2,871	\$ 2,885	\$ 2,900
Sire Stakes Fund		\$ 135	\$ 141	\$ 142	\$ 143	\$ 144	\$ 144	\$ 145
Agricultural Fair Support Fund		\$ 1,351	\$ 1,414	\$ 1,421	\$ 1,428	\$ 1,435	\$ 1,443	\$ 1,450
Purse Supplements		\$ 3,242	\$ 3,394	\$ 3,411	\$ 3,428	\$ 3,445	\$ 3,462	\$ 3,480
Race Tracks		\$ 2,702	\$ 2,828	\$ 2,779	\$ 2,857	\$ 2,871	\$ 2,871	\$ 2,885
Distrubtion to Commerical Tracks		\$ 2,026	\$ 2,121	\$ 2,132	\$ 2,143	\$ 2,153	\$ 2,164	\$ 2,175
		\$ 12,158	\$ 12,728	\$ 12,728	\$ 12,855	\$ 12,919	\$ 12,970	\$ 13,034
<u>Out of State</u>								
Distribution to OTB Facilities		\$ 88,879	\$ 76,245	\$ 76,626	\$ 77,009	\$ 77,394	\$ 77,781	\$ 78,170
Sire Stakes Fund		\$ 2,469	\$ 2,118	\$ 2,129	\$ 2,139	\$ 2,150	\$ 2,161	\$ 2,171
Agricultural Fair Support Fund		\$ 24,689	\$ 21,179	\$ 21,285	\$ 21,391	\$ 21,498	\$ 21,606	\$ 21,714
Purse Supplements		\$ 17,282	\$ 14,825	\$ 14,900	\$ 14,974	\$ 15,049	\$ 15,124	\$ 15,200
Distribution to Commcerical Tracks		\$ 88,879	\$ 76,245	\$ 76,626	\$ 77,009	\$ 77,394	\$ 77,781	\$ 78,170
		\$ 222,197	\$ 190,612	\$ 191,565	\$ 192,523	\$ 193,486	\$ 194,453	\$ 195,425
Other Special Revenue Funds Total		\$ 234,356	\$ 203,340	\$ 204,293	\$ 205,378	\$ 206,405	\$ 207,423	\$ 208,460