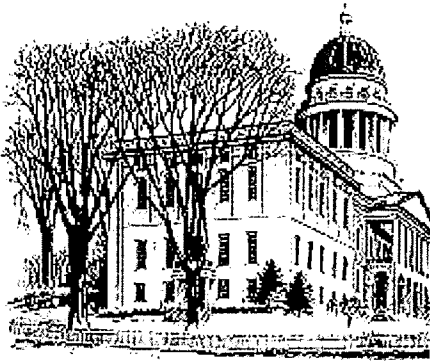


MAINE STATE LEGISLATURE

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STATE OF MAINE
REVENUE FORECASTING COMMITTEE

Members:

Jerome Gerard, Chair, Acting State Tax Assessor
James Breece, University of Maine System
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review
Ryan Low, State Budget Officer
Grant Pennoyer, Director, Office of Fiscal and Program Review
Catherine Reilly, State Economist

November 30, 2005

TO: Governor John Baldacci
Members, 122nd Legislature

FROM:  Jerome Gerard, Chair
Revenue Forecasting Committee

RE: Summary of December 2005 Revenue Forecast

The Revenue Forecasting Committee is required by statute to prepare revenue projections of General Fund and Highway Fund on December 1st each year and to review and, if necessary, revise those revenue estimates by March 1st. The Committee has completed its projections for the required December 1st report of General Fund and Highway Fund revenue and has also included updated forecasts of Fund for a Healthy Maine revenue and the Medicaid/MaineCare Dedicated Revenue Taxes. This memo and attachments summarize the results of the fall revenue forecast. A more detailed report will be available early in December. Provided below are the summaries of the aggregate forecast for these funds.

Summary of Revenue Revisions

General Fund Summary

	FY05 Actual	FY06	FY07	FY08	FY09
Current Forecast	\$2,790,845,053	\$2,743,294,742	\$2,899,720,412	\$2,963,928,357	\$3,064,285,562
Annual % Growth		-1.7%	5.7%	2.2%	3.4%
Net Increase (Decrease)		\$112,125,896	\$52,295,464	\$49,624,293	\$46,644,239
Revised Forecast	\$2,790,845,053	\$2,855,420,638	\$2,952,015,876	\$3,013,552,650	\$3,110,929,801
Annual % Growth		2.3%	3.4%	2.1%	3.2%

Highway Fund Summary

	FY05 Actual	FY06	FY07	FY08	FY09
Current Forecast	\$326,078,155	\$329,339,672	\$338,925,419	\$347,529,520	\$356,799,825
Annual % Growth		1.0%	2.9%	2.5%	2.7%
Net Increase (Decrease)		\$6,013,207	\$2,074,313	(\$1,011,622)	(\$3,337,810)
Revised Forecast	\$326,078,155	\$335,352,879	\$340,999,732	\$346,517,898	\$353,462,015
Annual % Growth		2.8%	1.7%	1.6%	2.0%

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Fund for a Healthy Maine Summary

	FY05 Actual	FY06	FY07	FY08	FY09
Current Forecast	\$49,124,793	\$48,784,525	\$59,424,155	\$72,014,299	\$73,141,825
Annual % Growth		-0.7%	21.8%	21.2%	1.6%
Net Increase (Decrease)		(\$5,430,903)	(\$15,014,476)	\$4,490,415	\$5,292,483
Revised Forecast	\$49,124,793	\$43,353,622	\$44,409,679	\$76,504,714	\$78,434,308
Annual % Growth		-11.7%	2.4%	72.3%	2.5%

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY05 Actual	FY06	FY07	FY08	FY09
Current Forecast	\$95,537,301	\$114,168,542	\$117,015,487	\$118,542,747	\$120,108,188
Annual % Growth		19.5%	2.5%	1.3%	1.3%
Net Increase (Decrease)		\$2,530,547	\$3,127,415	\$2,929,495	\$2,726,627
Revised Forecast	\$95,537,301	\$116,699,089	\$120,142,902	\$121,472,242	\$122,834,815
Annual % Growth		22.2%	3.0%	1.1%	1.1%

For the **General Fund**, this forecast results in a substantial upward revision of \$164.4 million for the 2006-2007 biennium (\$112.1 million in FY06 and \$52.3 million in FY07). The upward revision for the 2008-2009 biennium is \$96.3 million, decreasing the 2008-2009 structural gap. Positive variances that were recognized only for FY05 in the June 2005 Revision, the increased Personal Income forecast by the CEFC, improved forecasts for corporate profitability and changes in assumptions related to capital gains outweighed the decrease in the taxable sales projections that are constrained by higher fuel and energy prices. The recent Estate Tax experience has also increased budgeted revenue in the short-term as the forecast recognizes some very substantial one-time estate tax payments. The much smaller revision for the 2008-2009 biennium reflects the committee's view that the estimated level of capital gains realizations in 2004 is not sustainable and therefore "one-time" revenue. The new forecast assumes that capital gains realizations will decrease steadily between 2006 and 2009 so that by 2009 capital gains will be at a level consistent with history.

The committee wants to emphasize that capital gains income is highly discretionary and therefore volatile. Combined with a very uncertain global economic and geo-political environment there is a risk that individual income tax revenues can plummet quickly and deeply as they did in April of 2002. The committee will closely monitor the final individual income tax estimated payment due January 15th to determine if this key assumption needs to be revised as soon as this coming March.

The Table above shows that the previous forecast had reflected negative growth between FY05 and FY06, largely the result of some substantial one-time revenue increases enacted by the 121st Legislature. The short-term increases from the Estate Tax and the other net positive adjustments reverse that negative growth. The revised forecast for General Fund revenue projects modest growth throughout the forecast period.

For the **Highway Fund**, this forecast increases 2006-2007 budgeted revenue by \$8.3 million (\$6.1 million in FY06 and \$2.2 million in FY07). However, the projections for the 2008-2009

biennium decrease revenue by \$4.2 million, thereby increasing the Highway Fund 2008-2009 structural gap. Some unusual gas tax audits and an increase in the estimates for certain motor vehicle registration and fee revenues offset the dampening effect of higher fuel prices.

The **Fund for a Healthy Maine (FHM)** was revised downward for the 2006-2007 biennium, based on an assumed delay in the receipt of tobacco settlement payments pending the outcome of “significant factor proceedings” under the Master Settlement Agreement. The FHM is also adversely affected by the delay of assumed start-up of the permanent slot machine facility in Bangor. The net result for the 2006-2007 biennium revenue forecast for the Fund for a Healthy Maine is a downward revision of \$20.4 million (\$5.4 million in FY06 and \$15.0 million in FY07). The projections for the 2008-2009 biennium are revised upward and assume that the State will prevail in the significant factor proceedings. Growth is also expected in the 2008-2009 biennium in tobacco settlement payments from the addition of the 10 annual “Strategic Contributions Payments” that begin in FY08.

In aggregate, the forecast for **Medicaid/MaineCare Dedicated Revenue Taxes** was revised upward for the forecast period. This revision was driven primarily by an upward adjustment in nursing facility tax revenue based on actual FY05 revenue and FY06 collections to date. The revised forecast also assumes upward adjustments in residential treatment facility tax revenue and in the dedicated revenue portion of the service provider tax (i.e., that portion of the tax applied to private non-medical institutions (PNMI’s), community support, day habilitation, personal support and residential training services). The positive aggregate adjustment in the MaineCare tax forecast is offset slightly by a downward revision in hospital tax revenue based on actual experience.

Attachments

cc: Members, Revenue Forecasting Committee
Members, Consensus Economic Forecasting Commission
Jane Lincoln, Governor’s Office
Rebecca Wyke, Commissioner - DAFS
Millie MacFarland, Clerk of the House
Joy O’Brien, Secretary of the Senate
David Boulter, Executive Director, Legislative Council
Legislative Staff Office Directors

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY01 Actual	% Chg.	FY02 Actual	% Chg.	FY03 Actual	% Chg.	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY05 Budget	FY05 Variance	% Var.
Sales and Use Tax	817,781,460	-3.5%	836,134,084	2.2%	857,486,801	4.9%	917,243,245	7.0%	896,576,322	-2.3%	899,710,000	(3,133,678)	-0.3%
Service Provider Tax	0	0.0%	0	0.0%	0	0.0%	0	0.0%	44,645,517	N/A	44,200,000	445,517	1.0%
Individual Income Tax *	1,167,749,567	8.7%	1,069,834,791	-8.4%	1,071,701,694	-8.2%	1,156,715,909	7.9%	1,270,225,329	9.8%	1,259,880,674	10,344,655	0.8%
Corporate Income Tax	96,102,796	-36.0%	77,366,103	-19.5%	91,188,393	-5.1%	111,616,051	22.4%	135,862,913	21.7%	123,300,647	12,562,266	10.2%
Cigarette and Tobacco Tax	77,501,831	-1.1%	97,599,599	25.9%	98,414,470	27.0%	96,604,646	-1.8%	96,350,704	-0.3%	96,019,864	330,840	0.3%
Public Utilities Tax	29,776,778	88.6%	30,479,783	2.4%	29,285,143	-1.7%	27,991,188	-4.4%	25,403,214	-9.2%	25,300,000	103,214	0.4%
Insurance Companies Tax	43,576,501	2.1%	55,244,333	26.8%	71,078,089	63.1%	72,206,153	1.6%	75,669,053	4.8%	69,615,872	6,053,181	8.7%
Estate Tax	30,616,759	-47.9%	23,420,240	-23.5%	30,520,320	-0.3%	32,075,501	5.1%	32,255,727	0.6%	31,542,767	712,960	2.3%
Prop. Tax - Unorganized Territory	9,808,431	5.1%	10,333,984	5.4%	9,930,103	1.2%	10,709,308	7.8%	10,622,666	-0.8%	10,580,086	42,580	0.4%
Income from Investments	16,365,950	-19.4%	3,829,583	-76.6%	2,345,855	-85.7%	2,310,207	-1.5%	5,854,625	153.4%	4,896,463	958,162	19.6%
Transfer to Municipal Rev. Sharing	(106,163,291)	0.5%	(101,150,084)	-4.7%	(103,039,221)	-2.9%	(111,464,335)	8.2%	(119,712,814)	7.4%	(118,681,657)	(1,031,157)	0.9%
Transfer from Lottery Commission	35,483,595	-7.0%	39,317,891	10.8%	39,442,111	11.2%	41,272,645	4.6%	49,328,102	19.5%	50,292,750	(964,648)	-1.9%
Other Revenues **	172,027,974	4.0%	189,498,487	10.2%	196,336,434	14.1%	326,259,040	66.2%	267,763,694	-17.9%	264,281,977	3,481,717	1.3%
Total - General Fund Revenue	2,390,628,351	-0.2%	2,331,908,795	-2.5%	2,394,690,190	0.2%	2,683,539,557	12.1%	2,790,845,053	4.0%	2,760,939,443	29,905,610	1.1%

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program									(26,030,227)	N/A	(26,127,647)	97,420	-0.4%
- Business Equipment Tax Reimbursement (BETR)									0	N/A	0	0	0.0%

**** Detail of Other Revenues:**

- Real Estate Transfer Tax	9,048,762	-2.9%	9,208,923	1.8%	10,770,668	19.0%	22,196,221	106.1%	24,113,439	8.6%	23,306,346	807,093	3.5%
- Commercial Forestry Excise Tax	2,943,380	-4.4%	3,681,764	25.1%	3,172,724	7.8%	2,907,340	-8.4%	2,890,635	-0.6%	3,005,149	(114,514)	-3.8%
- Liquor Sales and Operations	24,231,271	4.3%	25,168,524	3.9%	26,073,276	7.6%	102,182,743	291.9%	49,845,027	-51.2%	50,000,000	(154,973)	-0.3%
- Liquor Taxes and Fees	15,925,822	-0.5%	16,528,396	3.8%	17,141,878	7.6%	17,485,024	2.0%	17,432,377	-0.3%	17,431,231	1,146	0.0%
- Finance Industry Fees	9,811,430	12.5%	9,356,930	-4.6%	9,293,280	-5.3%	9,572,280	3.0%	18,641,800	94.7%	16,563,440	2,078,360	12.5%
- Corporation Fees & Licenses	3,313,312	5.9%	3,390,039	2.3%	3,482,107	5.1%	3,600,455	3.4%	5,637,743	56.6%	5,451,707	186,036	3.4%
- Hunting and Fishing License Fees	13,681,818	-2.5%	14,857,760	8.6%	13,958,510	2.0%	16,898,278	21.1%	16,691,165	-1.2%	16,138,609	552,556	3.4%
- Boat, ATV and Snowmobile Fees	2,143,124	-3.6%	2,169,025	1.2%	2,483,836	15.9%	3,974,511	60.0%	4,148,890	4.4%	4,239,724	(90,834)	-2.1%
- Parimutuel and Gaming Revenue	1,094,337	1.2%	1,105,430	1.0%	1,086,936	-0.7%	1,036,539	-4.6%	1,362,611	31.5%	1,214,900	147,711	12.2%
- Fines, Forfeits and Penalties	26,525,142	1.4%	26,588,960	0.2%	26,991,935	1.8%	38,219,275	41.6%	35,506,972	-7.1%	35,415,714	91,258	0.3%
- Targeted Case Management (HHS)	26,098,790	30.4%	34,085,690	30.6%	33,235,104	27.3%	34,762,095	4.6%	34,518,055	-0.7%	34,009,373	508,682	1.5%
- HHS Services Rendered	4,023,508	-17.8%	4,604,354	14.4%	4,774,087	18.7%	8,892,183	86.3%	7,210,878	-18.9%	7,359,189	(148,311)	-2.0%
- State Cost Allocation Program	6,044,287	-23.4%	10,231,443	69.3%	10,986,971	81.8%	10,438,262	-5.0%	12,891,574	23.5%	10,692,505	2,199,069	20.6%
- Unclaimed Property Transfer	2,550,000	-75.0%	7,841,073	207.5%	8,180,260	220.8%	16,763,948	104.9%	10,000,000	-40.3%	10,000,000	0	0.0%
- Tourism Transfer	0	0.0%	0	0.0%	0	0.0%	(7,213,282)	N/A	(7,554,190)	4.7%	(7,554,189)	(1)	0.0%
- Clean Elections Fund Transfer	(2,274,557)	-9.8%	(1,999,993)	-12.1%	(2,302,904)	1.2%	(2,247,659)	-2.4%	(2,232,650)	-0.7%	(2,250,000)	17,350	-0.8%
- Other Miscellaneous	26,867,549	49.2%	22,680,169	-15.6%	27,007,764	0.5%	46,790,827	73.2%	36,659,221	-21.7%	39,258,279	(2,599,058)	-6.6%
IF&W Total Revenue ***	16,619,119	-3.0%	17,895,675	7.7%	17,595,575	5.9%	21,902,902	24.5%	21,817,659	-0.4%	21,478,863	338,796	1.6%

*** 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.

Updated: 11/29/2005

GENERAL FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY06 Budget	% Chg.	Recom. Chg.	FY06 Revised	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Sales and Use Tax	961,457,885	7.2%	(27,756,805)	933,701,080	4.1%	1,001,994,812	4.2%	(19,743,205)	982,251,607	5.2%
Service Provider Tax	49,287,167	10.4%	(2,793,002)	46,494,165	4.1%	51,816,733	5.1%	(2,904,968)	48,911,765	5.2%
Individual Income Tax *	1,167,504,222	-8.1%	71,793,623	1,239,297,845	-2.4%	1,251,380,952	7.2%	40,746,720	1,292,127,672	4.3%
Corporate Income Tax	118,877,558	-12.5%	46,342,442	165,220,000	21.6%	112,630,975	-5.3%	46,349,025	158,980,000	-3.8%
Cigarette and Tobacco Tax	147,238,325	52.8%	0	147,238,325	52.8%	165,466,882	12.4%	0	165,466,882	12.4%
Public Utilities Tax	25,440,000	0.1%	(4,000,000)	21,440,000	-15.6%	24,495,000	-3.7%	(4,000,000)	20,495,000	-4.4%
Insurance Companies Tax	77,141,931	1.9%	0	77,141,931	1.9%	79,644,425	3.2%	0	79,644,425	3.2%
Estate Tax	30,603,203	-5.1%	33,476,590	64,079,793	98.7%	32,027,061	4.7%	6,125,184	38,152,245	-40.5%
Prop. Tax - Unorganized Territory	11,103,313	4.5%	175,163	11,278,476	6.2%	11,419,423	2.8%	177,889	11,597,312	2.8%
Income from Investments	6,046,546	3.3%	(1,760,484)	4,286,062	-26.8%	6,046,546	0.0%	(268,476)	5,778,070	34.8%
Transfer to Municipal Rev. Sharing	(117,153,468)	-2.1%	(4,466,900)	(121,620,368)	1.6%	(123,308,998)	5.3%	(3,286,825)	(126,595,823)	4.1%
Transfer from Lottery Commission	53,334,250	8.1%	(3,000,000)	50,334,250	2.0%	53,334,250	0.0%	(3,000,000)	50,334,250	0.0%
Other Revenues **	212,413,810	-20.7%	4,115,269	216,529,079	-19.1%	232,772,351	9.6%	(7,899,880)	224,872,471	3.9%
Total - General Fund Revenue	2,743,294,742	-1.7%	112,125,896	2,855,420,638	2.3%	2,899,720,412	5.7%	52,295,464	2,952,015,876	3.4%
Change in Biennial Totals								164,421,360		

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program	(44,720,507)	71.8%	0	(44,720,507)	71.8%	(46,493,783)	4.0%	0	(46,493,783)	4.0%
- BETR - Business Equipment Tax Reimb.	(73,463,191)	N/A	0	(73,463,191)	N/A	(68,146,508)	-7.2%	0	(68,146,508)	-7.2%

*** Detail of Other Revenues:**

- Real Estate Transfer Tax	19,504,918	-19.1%	0	19,504,918	-19.1%	19,314,440	-1.0%	0	19,314,440	-1.0%
- Commercial Forestry Excise Tax	3,400,000	17.6%	(400,000)	3,000,000	3.8%	3,450,000	1.5%	0	3,450,000	15.0%
- Liquor Sales and Operations	0	-100.0%	1,500,000	1,500,000	-97.0%	0	0.0%	1,500,000	1,500,000	0.0%
- Liquor Taxes and Fees	18,428,497	5.7%	7,900	18,436,397	5.8%	19,341,802	5.0%	(433,600)	18,908,202	2.6%
- Banking Fees/Assessments	17,912,310	-3.9%	2,000,000	19,912,310	6.8%	17,912,310	0.0%	2,000,000	19,912,310	0.0%
- Corporation Fees & Licenses	5,453,707	-3.3%	75,000	5,528,707	-1.9%	5,455,707	0.0%	75,000	5,530,707	0.0%
- Hunting and Fishing License Fees	16,144,351	-3.3%	0	16,144,351	-3.3%	16,300,487	1.0%	0	16,300,487	1.0%
- Boat, ATV and Snowmobile Fees	3,870,938	-6.7%	0	3,870,938	-6.7%	3,870,938	0.0%	0	3,870,938	0.0%
- Parimutuel and Gaming Revenue	1,602,450	17.6%	2,512,364	4,114,814	202.0%	14,064,339	777.7%	(9,381,699)	4,682,640	13.8%
- Fines, Forfeits and Penalties	43,042,996	21.2%	0	43,042,996	21.2%	44,705,883	3.9%	0	44,705,883	3.9%
- Targeted Case Management (HHS)	34,907,681	1.1%	0	34,907,681	1.1%	35,115,597	0.6%	155,445	35,271,042	1.0%
- HHS Services Rendered	5,170,048	-28.3%	475,617	5,645,665	-21.7%	4,834,179	-6.5%	5,392	4,839,571	-14.3%
- State Cost Allocation Program	9,537,222	-26.0%	1,000,000	10,537,222	-18.3%	9,721,512	1.9%	1,000,000	10,721,512	1.7%
- Unclaimed Property Transfer	9,550,000	-4.5%	0	9,550,000	-4.5%	13,678,320	43.2%	0	13,678,320	43.2%
- Tourism Transfer	(7,936,013)	5.1%	173,324	(7,762,689)	2.8%	(8,446,366)	6.4%	208,605	(8,237,761)	6.1%
- Clean Elections Fund Transfer	(4,250,000)	90.4%	0	(4,250,000)	90.4%	(250,000)	-94.1%	0	(250,000)	-94.1%
- Other Miscellaneous	36,074,705	-1.6%	(3,228,936)	32,845,769	-10.4%	33,703,203	-6.6%	(3,029,023)	30,674,180	-6.6%
IF&W Total Revenue ***	21,215,562	-2.8%	(23,371)	21,192,191	-2.9%	21,392,254	0.8%	(27,147)	21,365,107	0.8%

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

Updated: 11/29/2005

GENERAL FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY08 Projection	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Projection	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Sales and Use Tax	1,044,229,458	4.2%	(16,388,578)	1,027,840,880	4.6%	1,090,041,295	4.4%	(16,597,272)	1,073,444,023	4.4%
Service Provider Tax	53,950,425	4.1%	(2,768,515)	51,181,910	4.6%	56,080,442	3.9%	(2,627,700)	53,452,742	4.4%
Individual Income Tax *	1,312,517,606	4.9%	22,235,382	1,334,752,988	3.3%	1,371,909,934	4.5%	12,703,998	1,384,613,932	3.7%
Corporate Income Tax	100,010,993	-11.2%	57,959,007	157,970,000	-0.6%	100,497,440	0.5%	57,502,560	158,000,000	0.0%
Cigarette and Tobacco Tax	164,396,738	-0.6%	0	164,396,738	-0.6%	163,198,120	-0.7%	0	163,198,120	-0.7%
Public Utilities Tax	23,320,000	-4.8%	(4,000,000)	19,320,000	-5.7%	22,260,000	-4.5%	(4,000,000)	18,260,000	-5.5%
Insurance Companies Tax	81,149,288	1.9%	0	81,149,288	1.9%	82,684,299	1.9%	0	82,684,299	1.9%
Estate Tax	34,329,124	7.2%	7,333,247	41,662,371	9.2%	35,789,761	4.3%	10,739,190	46,528,951	11.7%
Prop. Tax - Unorganized Territory	11,775,126	3.1%	183,092	11,958,218	3.1%	12,142,287	3.1%	189,992	12,332,279	3.1%
Income from Investments	6,046,546	0.0%	(1,224,726)	4,821,820	-16.5%	6,046,546	0.0%	(1,224,726)	4,821,820	0.0%
Transfer to Municipal Rev. Sharing	(130,556,841)	5.9%	(3,173,939)	(133,730,780)	5.6%	(136,163,514)	4.3%	(2,651,042)	(138,814,556)	3.8%
Transfer from Lottery Commission	52,834,250	-0.9%	(3,000,000)	49,834,250	-1.0%	52,834,250	0.0%	(3,000,000)	49,834,250	0.0%
Other Revenues **	209,925,644	-9.8%	(7,530,677)	202,394,967	-10.0%	206,964,702	-1.4%	(4,390,761)	202,573,941	0.1%
Total - General Fund Revenue	2,963,928,357	2.2%	49,624,293	3,013,552,650	2.1%	3,064,285,562	3.4%	46,644,239	3,110,929,801	3.2%
Change in Biennial Totals								96,268,532		

*** Detail of Property Tax Reimbursement Programs Deducted from Individual Income Tax Revenue**

- Maine Resident Property Tax Program	(48,875,193)	5.1%	0	(48,875,193)	5.1%	(51,874,912)	6.1%	0	(51,874,912)	6.1%
- BETR - Business Equipment Tax Reimb.	(77,707,000)	14.0%	0	(77,707,000)	14.0%	(79,646,983)	2.5%	0	(79,646,983)	2.5%

*** Detail of Other Revenues:**

- Real Estate Transfer Tax	11,884,726	-38.5%	0	11,884,726	-38.5%	11,955,435	0.6%	0	11,955,435	0.6%
- Commercial Forestry Excise Tax	3,500,000	1.4%	0	3,500,000	1.4%	3,500,000	0.0%	0	3,500,000	0.0%
- Liquor Sales and Operations	0	0.0%	1,500,000	1,500,000	0.0%	0	0.0%	1,500,000	1,500,000	0.0%
- Liquor Taxes and Fees	19,721,023	2.0%	(2,561,270)	17,159,753	-9.2%	20,113,522	2.0%	(488,483)	19,625,039	14.4%
- Banking Fees/Assessments	17,910,910	0.0%	2,000,000	19,910,910	0.0%	17,910,910	0.0%	2,000,000	19,910,910	0.0%
- Corporation Fees & Licenses	5,455,707	0.0%	75,000	5,530,707	0.0%	5,455,707	0.0%	75,000	5,530,707	0.0%
- Hunting and Fishing License Fees	16,300,487	0.0%	0	16,300,487	0.0%	16,300,487	0.0%	0	16,300,487	0.0%
- Boat, ATV and Snowmobile Fees	3,870,938	0.0%	0	3,870,938	0.0%	3,870,938	0.0%	0	3,870,938	0.0%
- Parimutuel and Gaming Revenue	14,243,305	1.3%	(6,961,721)	7,281,584	55.5%	14,455,619	1.5%	(5,850,036)	8,605,583	18.2%
- Fines, Forfeits and Penalties	42,015,208	-6.0%	0	42,015,208	-6.0%	42,020,208	0.0%	0	42,020,208	0.0%
- Targeted Case Management (HHS)	35,578,738	1.3%	208,134	35,786,872	1.5%	36,051,143	1.3%	210,913	36,262,056	1.3%
- HHS Services Rendered	4,834,179	0.0%	7,126	4,841,305	0.0%	4,834,179	0.0%	7,126	4,841,305	0.0%
- State Cost Allocation Program	9,721,512	0.0%	1,000,000	10,721,512	0.0%	9,721,512	0.0%	1,000,000	10,721,512	0.0%
- Unclaimed Property Transfer	22,835,500	66.9%	0	22,835,500	66.9%	25,210,825	10.4%	0	25,210,825	10.4%
- Tourism Transfer	(8,833,189)	4.6%	157,469	(8,675,720)	5.3%	(9,262,985)	4.9%	117,078	(9,145,907)	5.4%
- Clean Elections Fund Transfer	(2,250,000)	800.0%	0	(2,250,000)	800.0%	(2,250,000)	0.0%	0	(2,250,000)	0.0%
- Other Miscellaneous	13,136,600	-61.0%	(2,955,415)	10,181,185	-66.8%	7,077,202	-46.1%	(2,962,359)	4,114,843	-59.6%
IF&W Total Revenue ***	21,399,544	0.0%	(26,336)	21,373,208	0.0%	21,407,537	0.0%	(26,380)	21,381,157	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.

Updated: 11/29/2005

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY01 Actual	% Chg.	FY02 Actual	% Chg.	FY03 Actual	% Chg.	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY05 Budget	FY05 Variance	% Variance
Fuel Taxes	182,502,097	4.5%	184,732,999	1.2%	187,901,008	1.7%	212,600,843	13.1%	220,484,728	3.7%	220,838,729	(354,001)	-0.2%
Motor Vehicle Registration & Fees	76,317,758	3.0%	83,285,014	9.1%	83,032,421	-0.3%	82,577,755	-0.5%	84,645,422	2.5%	81,378,234	3,267,188	4.0%
Inspection Fees	2,491,237	-5.1%	3,412,662	37.0%	4,169,773	22.2%	4,708,196	12.9%	4,260,059	-9.5%	4,281,459	(21,400)	-0.5%
Fines, Forfeits and Penalties	2,097,609	-2.2%	1,958,350	-6.6%	2,531,692	29.3%	1,918,703	-24.2%	1,518,580	-20.9%	1,890,359	(371,779)	-19.7%
Income from Investments	4,241,955	6.1%	2,857,209	-32.6%	1,338,794	-53.1%	720,046	-46.2%	1,440,739	100.1%	1,059,903	380,836	35.9%
Other Revenues	5,467,245	1.6%	5,737,781	4.9%	9,272,396	61.6%	9,502,442	2.5%	13,728,627	44.5%	13,817,473	(88,846)	-0.6%
Total - Highway Fund Revenue	273,117,902	3.9%	281,984,017	3.2%	288,246,084	2.2%	312,027,986	8.3%	326,078,155	4.5%	323,266,157	2,811,998	0.9%

Updated: 11/29/2005

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY06 Budget	% Chg.	Recom. Chg.	FY06 Revised	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Fuel Taxes	228,958,605	3.8%	1,964,108	230,922,713	4.7%	236,991,965	3.5%	(2,036,676)	234,955,289	1.7%
Motor Vehicle Registration & Fees	83,090,358	-1.8%	4,082,000	87,172,358	3.0%	84,296,117	1.5%	4,082,000	88,378,117	1.4%
Inspection Fees	4,397,970	3.2%	0	4,397,970	3.2%	4,414,756	0.4%	0	4,414,756	0.4%
Fines, Forfeits and Penalties	1,973,665	30.0%	0	1,973,665	30.0%	2,018,239	2.3%	0	2,018,239	2.3%
Income from Investments	1,556,478	8.0%	43,522	1,600,000	11.1%	1,556,478	0.0%	243,522	1,800,000	12.5%
Other Revenues	9,362,596	-31.8%	(76,423)	9,286,173	-32.4%	9,647,864	3.0%	(214,533)	9,433,331	1.6%
Total - Highway Fund Revenue	329,339,672	1.0%	6,013,207	335,352,879	2.8%	338,925,419	2.9%	2,074,313	340,999,732	1.7%
Change in Biennial Totals								8,087,520		

Updated: 11/29/2005

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005

Source	FY08 Projection	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Projection	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Fuel Taxes	245,649,370	3.7%	(3,244,611)	242,404,759	3.2%	254,665,934	3.7%	(5,570,799)	249,095,135	2.8%
Motor Vehicle Registration & Fees	84,123,259	-0.2%	2,082,000	86,205,259	-2.5%	84,254,347	0.2%	2,082,000	86,336,347	0.2%
Inspection Fees	4,468,458	1.2%	0	4,468,458	1.2%	4,524,821	1.3%	0	4,524,821	1.3%
Fines, Forfeits and Penalties	2,018,239	0.0%	0	2,018,239	0.0%	2,018,239	0.0%	0	2,018,239	0.0%
Income from Investments	1,556,478	0.0%	243,522	1,800,000	0.0%	1,556,478	0.0%	243,522	1,800,000	0.0%
Other Revenues	9,713,716	0.7%	(92,533)	9,621,183	2.0%	9,780,006	0.7%	(92,533)	9,687,473	0.7%
Total - Highway Fund Revenue	347,529,520	2.5%	(1,011,622)	346,517,898	1.6%	356,799,825	2.7%	(3,337,810)	353,462,015	2.0%
Change in Biennial Totals								(4,349,432)		

Updated: 11/29/2005

**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005**

Source	FY00 Actual	FY01 Actual	% Chg.	FY02 Actual	% Chg.	FY03 Actual *	% Chg.	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY05 Budget	FY05	
													Variance	% Variance
Initial Payments	35,541,456	16,839,539	-52.6%	16,236,644	-3.6%	16,458,172	1.4%	0	-100.0%	0	0.0%	0	0	0.0%
Base Payments	27,422,283	30,926,515	12.8%	40,055,643	29.5%	39,348,861	-1.8%	48,952,964	24.4%	49,033,349	0.2%	48,491,906	541,443	1.1%
Attorney General Reimbursements	212,904	53,226	-75.0%	25,475	-52.1%	0	-100.0%	0	0.0%	0	0.0%	0	0	0.0%
Racino Revenue **	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0	0.0%
Income from Investments	1,604,300	3,605,927	124.8%	1,233,998	-65.8%	681,756	-44.8%	54,830	-92.0%	91,444	66.8%	45,000	46,444	103.2%
Total - Tobacco Settlement Revenue	64,780,943	51,425,207	-20.6%	57,551,760	11.9%	56,488,789	-1.8%	49,007,794	-13.2%	49,124,793	0.2%	48,536,906	587,887	1.2%

* FY03 Actual does not include \$514,339 received in July 2003 and \$480,059 received in October 2003 that were related to payments due prior to FY04.

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

Revised: 11/29/2005

**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005**

Source	FY06 Budget	% Chg.	Recom. Chg.	FY06 Revised	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Initial Payments	0	0.0%	0	0	0.0%	0	0.0%	0	0	0.0%
Base Payments	48,739,525	-0.6%	(7,086,863)	41,652,662	-15.1%	49,485,635	1.5%	(7,720,092)	41,765,543	0.3%
Attorney General Reimbursements	0	0.0%	0	0	0.0%	0	0.0%	0	0	0.0%
Racino Revenue **	0	0.0%	1,675,960	1,675,960	0.0%	9,893,520	N/A	(7,274,384)	2,619,136	N/A
Income from Investments	45,000	-50.8%	(20,000)	25,000	-72.7%	45,000	0.0%	(20,000)	25,000	0.0%
Total - Tobacco Settlement Revenue	48,784,525	-0.7%	(5,430,903)	43,353,622	-11.7%	59,424,155	21.8%	(15,014,476)	44,409,679	2.4%
Change in Biennial Totals								(20,445,379)		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

Revised: 11/29/2005

**FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2005**

Source	FY08		FY08		FY09		FY09		FY09	
	Forecast	% Chg.	Recom. Chg.	Revised	% Chg.	Forecast	% Chg.	Recom. Chg.	Revised	% Chg.
Initial Payments	0	0.0%	0	0	0.0%	0	0.0%	0	0	0.0%
Base Payments	61,877,959	25.0%	9,943,662	71,821,621	72.0%	62,803,705	1.5%	9,850,203	72,653,908	1.2%
Attorney General Reimbursements	0	0.0%	0	0	0.0%	0	0.0%	0	0	0.0%
Racino Revenue **	10,091,340	2.0%	(5,453,247)	4,638,093	77.1%	10,293,120	2.0%	(4,557,720)	5,735,400	23.7%
Income from Investments	45,000	0.0%	0	45,000	80.0%	45,000	0.0%	0	45,000	0.0%
Total - Tobacco Settlement Revenue	72,014,299	21.2%	4,490,415	76,504,714	72.3%	73,141,825	1.6%	5,292,483	78,434,308	2.5%
	0							9,782,898		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

Revised: 11/29/2005

**MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECMEBER 2005**

Source	FY03 Actual	FY04 Actual	% Chg.	FY05 Actual **	% Chg.	FY05 Budget**	FY05 Variance	% Variance
Nursing Facility Tax	22,048,469	30,501,448	38.3%	29,241,327	-4.1%	29,705,745	(464,418)	-1.6%
Residential Treatment Facility (ICFs/MR) Tax	1,565,094	1,617,662	3.4%	1,958,739	21.1%	1,808,886	149,853	8.3%
Hospital Tax *	0	16,383,319	N/A	48,907,135	198.5%	48,210,520	696,615	1.4%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	0	0	N/A	15,430,099	N/A	15,131,785	298,314	2.0%
Total - Health Care Provider Taxes	23,613,563	48,502,429	105.4%	95,537,301	97.0%	94,856,936	680,365	0.7%

* Reflects revenue from the hospital tax first enacted under PL 2003, c. 513 and amended under PL 2003, c. 673, but does not include revenue from previous hospital taxes and assessments.

** The hospital tax rate increased from 0.74% of net operating revenue in FY 04 to 2.23% in FY 05.

Revised: 11/29/2005

MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECMEBER 2005

Source	FY06 Budget	% Chg.	Recom. Chg.	FY06 Revised	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Nursing Facility Tax	30,374,124	3.9%	2,025,876	32,400,000	10.8%	31,133,477	2.5%	2,076,523	33,210,000	2.5%
Residential Treatment Facility (ICFs/MR) Tax	1,469,400	-25.0%	535,816	2,005,216	2.4%	1,506,135	2.5%	549,211	2,055,346	2.5%
Hospital Tax *	54,296,200	11.0%	(623,782)	53,672,418	9.7%	55,925,086	3.0%	(105,771)	55,819,315	4.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	28,028,818	81.7%	592,637	28,621,455	85.5%	28,450,789	1.5%	607,452	29,058,241	1.5%
Total - Health Care Provider Taxes	114,168,542	19.5%	2,530,547	116,699,089	22.2%	117,015,487	2.5%	3,127,415	120,142,902	3.0%
Change in Biennial Totals						0		\$5,657,962		

* Reflects revenue from the hospital tax first enacted under PL 2003, c. 513 and amended under PL 2003, c. 673, but does not include revenue from previous hospital taxes and assessments.

** The hospital tax rate increased from 0.74% of net operating revenue in FY 04 to 2.23% in FY 05.

Revised: 11/29/2005

**MEDICAID/MAINECARE DEDICATED REVENUE TAXES
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECMEBER 2005**

Source	FY08 Forecast	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Forecast	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Nursing Facility Tax	31,911,814	2.5%	2,128,436	34,040,250	2.5%	32,709,609	2.5%	2,181,647	34,891,256	2.5%
Residential Treatment Facility (ICFs/MR) Tax	1,543,788	2.5%	562,942	2,106,730	2.5%	1,582,383	2.5%	577,015	2,159,398	2.5%
Hospital Tax *	55,925,086	0.0%	(105,771)	55,819,315	0.0%	55,925,086	0.0%	(105,771)	55,819,315	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	29,162,059	2.5%	343,889	29,505,947	1.5%	29,891,110	2.5%	73,736	29,964,846	1.6%
Total - Health Care Provider Taxes	118,542,747	1.3%	2,929,495	121,472,242	1.1%	120,108,188	1.3%	2,726,627	122,834,815	1.1%
Change in Biennial Totals								\$5,656,123		

* Reflects revenue from the hospital tax first enacted under PL 2003, c. 513 and amended under PL 2003, c. 673, but does not include revenue from previous hospital taxes and assessments.

** The hospital tax rate increased from 0.74% of net operating revenue in FY 04 to 2.23% in FY 05.

Revised: 11/29/2005