

MAINE STATE LEGISLATURE

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STATE OF MAINE REVENUE FORECASTING COMMITTEE

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Jerome Gerard, Chair, Acting State Tax Assessor
James Breece, University of Maine System
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review
Michael LeVert, State Economist
Dawna Lopatosky, State Budget Officer
Grant Pennoyer, Director, Office of Fiscal and Program Review

April 29, 2011

TO: Governor Paul LePage
Members, 125th Legislature

FROM:  Jerome Gerard, Chair
Revenue Forecasting Committee

RE: **Summary of May 2011 Revenue Forecast**

The Revenue Forecasting Committee (RFC) met on April 26, 2011 to review and update the current revenue forecast to comply with the statutory reporting date of May 1st. The RFC has revised its revenue projections through the fiscal year ending June 30, 2015 for the General Fund, Highway Fund, Fund for a Healthy Maine and Medicaid Dedicated Revenue Taxes. This letter with attachments provides a summary of the major findings and recommendations of the RFC. Additional detail including supporting materials provided by Maine Revenue Services and other staff is available on the RFC's web page for its current report at:

http://www.maine.gov/legis/ofpr/revenue_forecasting_committee/current/index.htm.

This update of the revenue forecast began with an updated economic forecast statutorily due by April 1st. That economic forecast was developed by newly appointed members of the Consensus Economic Forecasting Commission (CEFC). These new CEFC members were concerned that economic scenarios available at the time of their meetings had not adequately captured recent events, primarily the surge in oil prices, the tsunami in Japan and the European debt crisis. As a result, the CEFC chose the most conservative of the forecast scenarios and then further reduced growth assumptions in 2011, 2014 and 2015 reflecting their concerns about the uncertainty in the economic picture. A copy of the April 2011 report of the CEFC is available on the web at:

http://www.maine.gov/legis/ofpr/revenue_forecasting_committee/consensus_economic_forecast/apr2011.pdf

The economic variables in the CEFC forecast were used as inputs for Maine Revenue Services' tax models to help project revenue from the major taxes. Data related to non-tax revenue lines were provided by a number of different state agencies and reviewed by staff in the Office of Fiscal and Program Review and the Bureau of the Budget to come up with consensus recommendations. The RFC reviewed the Maine Revenue Services and other staff recommendations at its meeting on April 26th and made some adjustments to those recommendations. The following tables and narratives highlight the

changes to each of the major funds and revenue sources included in this May 2011 update to the revenue forecast of the RFC. More detail on each of the funds and revenue sources is provided in the attachments to this letter and in materials posted at the links provided earlier.

General Fund Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$2,755,682,500	\$2,883,974,711	\$2,945,349,312	\$3,095,981,497	\$3,289,658,085	\$3,425,650,856
Annual Growth	-2.0%	4.7%	2.1%	5.1%	6.3%	4.1%
Net Inc. (Dec.)		\$12,089,813	(\$4,795,787)	(\$42,204,219)	(\$85,742,256)	(\$83,770,167)
Revised Forecast	\$2,755,682,500	\$2,896,064,524	\$2,940,553,525	\$3,053,777,278	\$3,203,915,829	\$3,341,880,689
Annual Growth	-2.0%	5.1%	1.5%	3.9%	4.9%	4.3%

General Fund revenue estimates (also refer to Attachment A) are being revised upward by \$12.1 million in FY11 and then downward by \$47.0 million for the 2012-2013 biennium. The effects of the slower growth assumptions in the underlying economic forecast are most pronounced in the revisions to General Fund revenue reducing previous projections by a total of \$169.5 million for the 2014-2015 biennium. The economic forecast includes some recognition of stronger than previously projected growth in income affecting both sales tax and individual income tax, driving them upward in the short-term. However, the impact of the non-tax model forecasts in this update produce significant negative reductions in Targeted Case Management revenue, fine revenue and lottery revenue that are major factors in the net decrease of this forecast through the end of the 2012-2013 biennium.

Sales and Use Tax, even after netting out the reductions to the Service Provider Tax portion of the sales tax forecast of the tax models, is forecast upward each year of the forecast period. This increase is the result of the net effect of the changes in the several economic assumptions used in the sales tax model, which at least in the recent past have been consistent with actual experience. The combined net increase for the forecast of these 2 major tax lines is \$9.3 million in FY11, \$10.2 million in FY12, \$4.3 million in FY13 and \$6.2 for the 2014-2015 biennium. **This category is subject to the greatest downside risk, if oil prices affecting heating oil and motor fuel prices do not recede from the current high levels.**

Individual Income Tax projections are projected upward strongly in FY11 (\$27.3 million) and FY12 (\$7.4 million) before the slower income growth projections of the economic forecast turn the revisions negative. Individual Income Tax revenue estimates are reduced by \$14.3 million in FY13, \$58.6 million in FY14 and \$59.0 million in FY15.

Corporate Income Tax revenue has been a very volatile revenue source and difficult to predict due to the dominance of a few very large multinational corporations. The downward adjustments in this forecast are attributable to three factors; (1) a corporate income tax audit has resulted in a series of refunds totaling \$7.3 million that will be issued by the end of FY11, (2) a major corporate filer has publically reported that it will reduce its retail activities in Maine during 2011 and (3) the new economic forecast assumes corporate profits will be flat or declining in 2011 and 2012.

The net changes to the income and sales tax categories summarized above that affect revenue sharing transfers will result in an increase in the amounts transferred for municipal revenue sharing in FY11 (\$2.0 million) and in FY12 (\$0.5 million), but will begin to decrease thereafter with annual decreases of \$1.3 in FY13, \$3.2 million in FY14 and \$3.3 million in FY15.

The estimates of Estate Tax collections are being reduced as a result of updated data from actual estate tax filings with the exception of the current fiscal year. In early March of this year, Maine received a single estate tax payment of approximately \$5.8 million. That payment is recognized as a one-time event and offsets the other technical adjustments in this forecast for FY11 only, producing a \$2.1 million positive adjustment. Beginning in FY12, estimates are revised downward by \$5.1 million in FY12, \$7.7 million in FY13 and by \$15.4 million for the 2014-2015 biennium.

Other net General Fund changes decrease revenue estimates by \$17.4 million in FY11, \$4.5 million in FY12, \$4.3 million in FY13 and \$26.3 million for the 2014-2015 biennium. Additional detail of these changes is provided in Attachment A and on the RFC's web page. Some of the major changes and their impact on the 3-year period affecting the current 2012-2013 Biennial Budget include:

- Targeted Case Management revenue recorded by the Department of Health and Human Services from internal Medicaid billings is reduced by more than \$8 million each fiscal year for a 3-year total of \$25.8 million based on departmental policy decisions, concerns about the allowable nature of these costs and reductions in claims;
- Fines, Forfeits and Penalties, primarily collected by the Judicial Department, are reduced over the 3-year period by \$7.1 million due to significant declines in various violations, which is assumed to be related to budget issues affecting law enforcement activities;
- Transfers from Lottery Commission are reduced by \$6.4 million with the largest impact on the current year due primarily to the lack of significant jackpots in the multistate games;
- Transfers to Tax Relief Programs are adjusted upward by \$8.3 million, primarily due to revised estimates for the Circuitbreaker program claims; and
- Milk-related revenue items, the Milk Handling Fee and the Transfer to the Maine Milk Pool that are inversely affected by a new milk price forecast that projects higher milk prices, result in a net increase of \$3.3 million over the 3-year current budget period.

Highway Fund Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$311,190,374	\$307,728,807	\$315,026,156	\$320,369,844	\$326,885,858	\$333,029,695
Annual % Growth	-4.0%	-5.1%	1.2%	4.1%	3.8%	4.0%
Net Increase (Decrease)		\$560,326	\$1,331,284	\$3,264,407	\$2,306,876	\$832,667
Revised Forecast	\$311,190,374	\$308,289,133	\$316,357,440	\$323,634,251	\$329,192,734	\$333,862,362
Annual % Growth	-4.0%	-0.9%	2.6%	2.3%	1.7%	1.4%

Highway Fund revenue estimates (also refer to Attachment B and the RFC's web page) are revised upward by \$0.6 million in FY11, \$1.3 million in FY12, \$3.3 million in FY13 and \$3.1 million for the 2014-2015 biennium.

The Fuel Taxes category is revised relatively modestly in this forecast, decreasing by \$0.3 million in FY11 and increasing by \$0.5 million in FY12, \$2.1 million in FY13, and \$1.2 million for the 2014-2015 biennium. Economic assumptions related to aggregate Personal Income growth, Consumer Price Index changes and changes in oil and energy prices interacted to produce modest net changes in the projections. **However, as with the forecast for the Sales and Use Tax, this projection presents a very significant downside risk to the forecast, if fuel prices do not decline consistent with the underlying forecast.**

The most significant change in this update to the Highway Fund revenue forecast relates to Long-term Trailer Registration Fees. This revenue source was over budget by \$2.8 million through March, some of which represented earlier payments than projected, but this surge in these fees is a positive sign generally indicating a recovery in the number of trailers being registered as a result of additional shipping needs. As a result, this revenue source is revised upward by \$1.0 million in each year of the forecast.

The remaining adjustments to Highway Fund revenue are very small with both some minor positive adjustments and minor negative adjustments based on current experience and updated data.

Fund for a Healthy Maine Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$57,560,142	\$52,794,093	\$53,459,128	\$54,592,171	\$60,472,838	\$60,146,432
Annual % Growth	-15.9%	-22.8%	1.3%	2.1%	10.8%	-0.5%
Net Increase (Decrease)		\$1,592,106	\$2,336	(\$238,344)	(\$257,196)	(\$264,960)
Revised Forecast	\$57,560,142	\$54,386,199	\$53,461,464	\$54,353,827	\$60,215,642	\$59,881,472
Annual % Growth	-15.9%	-5.5%	-1.7%	1.7%	10.8%	-0.6%

Fund for a Healthy Maine (FHM) revenue estimates (also refer to Attachment C and additional detail on the RFC's web page) are increased in FY11 by \$1.6 million based on actual payments received this April. The actual decline in national cigarette sales was less than the roughly 7% decline originally projected, producing a smaller reduction from the Volume Adjustment under the Master Settlement Agreement. Also of note, Philip Morris departed from past practice this year and withheld, as disputed, a portion of its payment amount, consistent with the assumptions in the December 2010 forecast.

Despite the change in the actual collections base, which would otherwise increase future projections based on no updates to the future growth assumptions, the RFC is not adjusting the future fiscal years upward at this time. A significant potential downside risk exists related to a pending legal ruling regarding prior payments made to the States and the applicability of the Non-Participating Manufacturers (NPM) Adjustment to those payments. This forecast does not reflect this downside risk that could reduce Maine's April 2012 payments by an amount ranging between roughly \$9 million and \$28.5 million depending on the number of prior years affected by the awaited ruling. Note that future years' payments may also be affected by the ruling.

FHM's share of Racino Revenue is being reduced in FY13, which is consistent with the revisions that lowered the General Fund's share of this revenue source downward. While the decline in the General Fund was offset by the assumption that the new Oxford Casino will become operational in July of 2013, the FHM does not receive a share of those new revenues.

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY10 Actual	FY11	FY12	FY13	FY14	FY15
Current Forecast	\$140,012,817	\$151,258,238	\$151,258,238	\$151,258,238	\$151,258,238	\$151,258,238
Annual % Growth	1.4%	9.6%	8.0%	0.0%	0.0%	0.0%
Net Increase (Decrease)		(\$3,380,169)	\$0	\$0	\$0	\$0
Revised Forecast	\$140,012,817	\$147,878,069	\$151,258,238	\$151,258,238	\$151,258,238	\$151,258,238
Annual % Growth	1.4%	5.6%	2.3%	0.0%	0.0%	0.0%

Medicaid/MaineCare Dedicated Revenue Taxes revenue estimates (also refer to Attachment D) are revised downward on a one-time basis by \$3.4 million in FY11 based on actual payments to date.

Conclusion

Finally, the CEFC and the RFC have once again provided forecasts in a highly volatile economic environment. At the start of the calendar year it appeared that the economic recovery was gaining strength and transitioning into a self-sustaining economic expansion. Over the course of the last 10 weeks unrest in the Middle East has quickly driven oil prices above \$110 a barrel and gasoline prices toward \$4 a gallon. If energy prices remain elevated or increase more, the summer tourism season will be negatively impacted and the fragile economic recovery could once again stall or worse, enter into a new recession. The economic and revenue forecasts presented to you today assume energy prices will quickly recede during the current quarter. If energy prices remain elevated and volatile, the new revenue forecast is at risk.

Attachments

cc: Members, Revenue Forecasting Committee
Members, Consensus Economic Forecasting Commission
John McGough, Chief of Staff, Governor's Office
Sawin Millett, Commissioner, DAFS
Clerk of the House
Secretary of the Senate
David Boulter, Executive Director, Legislative Council
Legislative Staff Office Directors

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY07 Actual	FY08 Actual	% Chg.	FY09 Actual	% Chg.	FY10 Actual	% Chg.	FY11 Budget	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Sales and Use Tax	971,455,721	983,057,278	1.2%	921,823,720	-6.2%	897,938,873	-2.6%	904,850,262	0.8%	11,896,045	916,746,307	2.1%
Service Provider Tax	49,400,532	52,100,664	5.5%	52,812,595	1.4%	56,086,391	6.2%	57,814,486	3.1%	(2,600,000)	55,214,486	-1.6%
Individual Income Tax	1,464,928,346	1,558,032,961	6.4%	1,365,437,729	-12.4%	1,298,036,055	-4.9%	1,365,364,302	5.2%	27,338,000	1,392,702,302	7.3%
Corporate Income Tax	183,851,533	184,514,568	0.4%	143,085,966	-22.5%	175,292,433	22.5%	200,490,112	14.4%	(7,307,848)	193,182,264	10.2%
Cigarette and Tobacco Tax	158,953,466	150,499,432	-5.3%	144,424,712	-4.0%	149,066,678	3.2%	146,209,555	-1.9%	0	146,209,555	-1.9%
Insurance Companies Tax	74,452,542	72,292,532	-2.9%	79,770,431	10.3%	80,019,145	0.3%	76,765,000	-4.1%	0	76,765,000	-4.1%
Estate Tax	54,820,038	39,890,577	-27.2%	31,819,188	-20.2%	31,209,840	-1.9%	42,978,079	37.7%	2,074,708	45,052,787	44.4%
Other Taxes and Fees *	143,921,436	140,215,511	-2.6%	148,909,575	6.2%	149,592,993	0.5%	149,281,382	-0.2%	390,707	149,672,089	0.1%
Fines, Forfeits and Penalties	41,415,132	44,465,534	7.4%	44,024,462	-1.0%	32,787,060	-25.5%	31,133,161	-5.0%	(2,333,822)	28,799,339	-12.2%
Income from Investments	1,215,836	1,074,143	-11.7%	1,100,129	2.4%	265,091	-75.9%	27,332	-89.7%	217,795	245,127	-7.5%
Transfer from Lottery Commission	50,624,741	49,491,086	-2.2%	49,839,434	0.7%	52,201,531	4.7%	52,034,250	-0.3%	(3,000,000)	49,034,250	-6.1%
Transfers to Tax Relief Programs *	(110,993,852)	(114,564,757)	-3.2%	(122,931,820)	-7.3%	(113,604,930)	7.6%	(112,087,945)	1.3%	(1,898,648)	(113,986,593)	-0.3%
Transfer to Municipal Rev. Sharing	(130,490,756)	(135,820,175)	-4.1%	(102,160,745)	24.8%	(97,425,079)	4.6%	(89,975,242)	7.6%	(1,955,103)	(91,930,345)	5.6%
Other Revenue *	66,040,674	62,569,638	-5.3%	53,412,918	-14.6%	44,216,420	-17.2%	59,089,977	33.6%	(10,732,021)	48,357,956	9.4%
Total - General Fund Revenue	3,019,595,389	3,087,818,992	2.3%	2,811,368,295	-9.0%	2,755,682,500	-2.0%	2,883,974,711	4.7%	12,089,813	2,896,064,524	5.1%

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY12 Budget	% Chg.	Recom. Chg.	FY12 Revised	% Chg.	FY13 Budget	% Chg.	Recom. Chg.	FY13 Revised	% Chg.
Sales and Use Tax	945,475,809	4.5%	12,872,362	958,348,171	4.5%	992,958,416	5.0%	7,099,731	1,000,058,147	4.4%
Service Provider Tax	59,555,680	3.0%	(2,678,000)	56,877,680	3.0%	61,840,807	3.8%	(2,780,000)	59,060,807	3.8%
Individual Income Tax	1,466,558,381	7.4%	7,403,000	1,473,961,381	5.8%	1,545,715,946	5.4%	(14,275,000)	1,531,440,946	3.9%
Corporate Income Tax	209,802,975	4.6%	(12,310,433)	197,492,542	2.2%	230,072,072	9.7%	(21,569,907)	208,502,165	5.6%
Cigarette and Tobacco Tax	143,623,350	-1.8%	0	143,623,350	-1.8%	141,095,285	-1.8%	0	141,095,285	-1.8%
Insurance Companies Tax	76,015,000	-1.0%	0	76,015,000	-1.0%	76,015,000	0.0%	0	76,015,000	0.0%
Estate Tax	41,061,512	-4.5%	(5,113,157)	35,948,355	-20.2%	49,370,677	20.2%	(7,654,008)	41,716,669	16.0%
Other Taxes and Fees *	140,926,202	-5.6%	(5,981,616)	134,944,586	-9.8%	140,334,112	-0.4%	(1,549,430)	138,784,682	2.8%
Fines, Forfeits and Penalties	30,763,549	-1.2%	(2,383,857)	28,379,692	-1.5%	30,782,049	0.1%	(2,383,857)	28,398,192	0.1%
Income from Investments	4,142	-84.8%	253,624	257,766	5.2%	57,595	1290.5%	1,044,512	1,102,107	327.6%
Transfer from Lottery Commission	52,034,250	0.0%	(1,684,250)	50,350,000	2.7%	52,034,250	0.0%	(1,684,250)	50,350,000	0.0%
Transfers to Tax Relief Programs *	(126,984,977)	-13.3%	4,901,385	(122,083,592)	-7.1%	(124,182,298)	2.2%	5,308,362	(118,873,936)	2.6%
Transfer to Municipal Rev. Sharing	(135,923,577)	-51.1%	(489,286)	(136,412,863)	-48.4%	(143,961,248)	-5.9%	1,337,774	(142,623,474)	-4.6%
Other Revenue *	42,437,016	-28.2%	414,441	42,851,457	-11.4%	43,848,834	3.3%	(5,098,146)	38,750,688	-9.6%
Total - General Fund Revenue	2,945,349,312	2.1%	(4,795,787)	2,940,553,525	1.5%	3,095,981,497	5.1%	(42,204,219)	3,053,777,278	3.9%
								(47,000,006)		

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY14 Projection	% Chg.	Recom. Chg.	FY14 Revised	% Chg.	FY15 Projection	% Chg.	Recom. Chg.	FY15 Revised	% Chg.
Sales and Use Tax	1,036,894,736	4.4%	4,253,000	1,041,147,736	4.1%	1,070,820,228	3.3%	7,850,000	1,078,670,228	3.6%
Service Provider Tax	64,809,166	4.8%	(2,913,000)	61,896,166	4.8%	66,947,869	3.3%	(3,000,000)	63,947,869	3.3%
Individual Income Tax	1,670,667,036	8.1%	(58,615,000)	1,612,052,036	5.3%	1,762,107,942	5.5%	(58,959,000)	1,703,148,942	5.7%
Corporate Income Tax	252,110,933	9.6%	(11,368,719)	240,742,214	15.5%	267,054,252	5.9%	(11,477,360)	255,576,892	6.2%
Cigarette and Tobacco Tax	138,621,367	-1.8%	0	138,621,367	-1.8%	136,200,611	-1.7%	0	136,200,611	-1.7%
Insurance Companies Tax	76,015,000	0.0%	0	76,015,000	0.0%	76,015,000	0.0%	0	76,015,000	0.0%
Estate Tax	54,924,035	11.2%	(7,930,794)	46,993,241	12.6%	56,950,563	3.7%	(7,487,090)	49,463,473	5.3%
Other Taxes and Fees *	138,401,848	-1.4%	(2,131,762)	136,270,086	-1.8%	140,272,961	1.4%	(2,405,256)	137,867,705	1.2%
Fines, Forfeits and Penalties	30,777,049	0.0%	(2,383,857)	28,393,192	0.0%	30,772,049	0.0%	(2,383,857)	28,388,192	0.0%
Income from Investments	205,585	256.9%	877,035	1,082,620	-1.8%	205,585	0.0%	722,330	927,915	-14.3%
Transfer from Lottery Commission	52,034,250	0.0%	(1,684,250)	50,350,000	0.0%	52,034,250	0.0%	(1,684,250)	50,350,000	0.0%
Transfers to Tax Relief Programs *	(115,257,579)	7.2%	(1,948,679)	(117,206,258)	1.4%	(115,281,994)	0.0%	(3,107,049)	(118,389,043)	-1.0%
Transfer to Municipal Rev. Sharing	(153,862,714)	-6.9%	3,201,916	(150,660,798)	-5.6%	(161,299,458)	-4.8%	3,259,511	(158,039,947)	-4.9%
Other Revenue *	43,317,373	-1.2%	(5,098,146)	38,219,227	-1.4%	42,850,998	-1.1%	(5,098,146)	37,752,852	-1.2%
Total - General Fund Revenue	3,289,658,085	6.3%	(85,742,256)	3,203,915,829	4.9%	3,425,650,856	4.1%	(83,770,167)	3,341,880,689	4.3%
								(169,512,423)		

* Additional detail provided on pages 4, 5 and 6

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY07 Actual	FY08 Actual	% Chg.	FY09 Actual	% Chg.	FY10 Actual	% Chg.	FY11 Budget	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Detail of Other Taxes and Fees:												
- Property Tax - Unorganized Territory	11,376,293	12,217,081	7.4%	12,633,755	3.4%	13,217,886	4.6%	13,245,281	0.2%	548,828	13,794,109	4.4%
- Real Estate Transfer Tax	22,206,638	17,465,240	-21.4%	17,184,746	-1.6%	12,181,181	-29.1%	13,298,052	9.2%	423,000	13,721,052	12.6%
- Liquor Taxes and Fees	20,283,406	20,673,308	1.9%	20,844,377	0.8%	20,361,554	-2.3%	20,413,193	0.3%	451,469	20,864,662	2.5%
- Corporation Fees & Licenses	7,935,294	7,969,156	0.4%	7,931,072	-0.5%	8,168,981	3.0%	7,697,099	-5.8%	0	7,697,099	-5.8%
- Telecommunications Personal Prop. Tax	16,317,029	16,858,472	3.3%	19,536,483	15.9%	17,523,926	-10.3%	16,775,988	-4.3%	0	16,775,988	-4.3%
- Finance Industry Fees	22,004,030	23,638,820	7.4%	23,901,210	1.1%	23,831,582	-0.3%	22,865,980	-4.1%	813,950	23,679,930	-0.6%
- Milk Handling Fee	2,561,972	631,997	-75.3%	6,605,226	945.1%	10,105,521	53.0%	5,949,972	-41.1%	(2,304,580)	3,645,392	-63.9%
- Casino and Racino Revenue	8,607,317	8,384,464	-2.6%	8,730,346	4.1%	10,421,318	19.4%	11,199,473	7.5%	(394,873)	10,804,600	3.7%
- Boat, ATV and Snowmobile Fees	4,162,079	4,295,524	3.2%	4,262,523	-0.8%	4,730,068	11.0%	4,500,295	-4.9%	0	4,500,295	-4.9%
- Hunting and Fishing License Fees	16,401,841	15,683,316	-4.4%	15,378,849	-1.9%	16,277,082	5.8%	17,420,998	7.0%	(100,000)	17,320,998	6.4%
- Other Miscellaneous Taxes and Fees	12,065,538	12,398,134	2.8%	11,900,988	-4.0%	12,773,892	7.3%	15,915,051	24.6%	952,913	16,867,964	32.1%
Subtotal - Other Taxes and Fees	143,921,436	140,215,511	-2.6%	148,909,575	6.2%	149,592,993	0.5%	149,281,382	-0.2%	390,707	149,672,089	0.1%
Detail of Other Revenue:												
- Liquor Sales and Operations	4,440,935	5,561,666	25.2%	6,220,864	11.9%	6,784,941	9.1%	7,391,759	8.9%	(85,948)	7,305,811	7.7%
- Targeted Case Management (HHS)	12,834,382	12,157,093	-5.3%	13,946,371	14.7%	19,490,000	39.7%	23,159,729	18.8%	(8,130,117)	15,029,612	-22.9%
- State Cost Allocation Program	15,428,622	16,289,386	5.6%	16,104,670	-1.1%	16,008,673	-0.6%	16,699,059	4.3%	(1,800,000)	14,899,059	-6.9%
- Unclaimed Property Transfer	10,499,528	11,114,735	5.9%	13,212,409	18.9%	5,855,999	-55.7%	2,333,420	-60.2%	0	2,333,420	-60.2%
- Tourism Transfer	(8,221,338)	(8,708,437)	-5.9%	(9,068,407)	-4.1%	(9,022,023)	0.5%	(9,048,877)	-0.3%	0	(9,048,877)	-0.3%
- Transfer to Maine Milk Pool	(10,158,802)	(1,078,425)	89.4%	(11,810,960)	-995.2%	(13,349,600)	-13.0%	(4,611,691)	65.5%	366,550	(4,245,141)	68.2%
- Transfer to STAR Transportation Fund	0	0	N/A	0	N/A	(3,134,861)	N/A	(3,100,352)	1.1%	0	(3,100,352)	1.1%
- Other Miscellaneous Revenue	41,217,346	27,233,620	-33.9%	24,807,971	-8.9%	21,583,291	-13.0%	26,266,930	21.7%	(1,082,506)	25,184,424	16.7%
Subtotal - Other Revenue	66,040,674	62,569,638	-5.3%	53,412,918	-14.6%	44,216,420	-17.2%	59,089,977	33.6%	(10,732,021)	48,357,956	9.4%
Detail of Transfers to Tax Relief Programs:												
- Maine Resident Property Tax Program	(44,440,759)	(46,689,380)	-5.1%	(48,751,672)	-4.4%	(40,851,593)	16.2%	(43,500,000)	-6.5%	1,401,352	(42,098,648)	-3.1%
- BETR - Business Equipment Tax Reimb.	(66,553,092)	(67,875,376)	-2.0%	(66,009,487)	2.7%	(58,198,436)	11.8%	(51,043,140)	12.3%	(4,500,000)	(55,543,140)	4.6%
- BETE - Municipal Bus. Equip. Tax Reimb.	0	0	N/A	(8,170,661)	N/A	(14,554,901)	-78.1%	(17,544,805)	-20.5%	1,200,000	(16,344,805)	-12.3%
Subtotal - Tax Relief Transfers	(110,993,852)	(114,564,757)	-3.2%	(122,931,820)	-7.3%	(113,604,930)	7.6%	(112,087,945)	1.3%	(1,898,648)	(113,986,593)	-0.3%
IF&W Total Revenue **	21,663,828	20,965,692	-3.2%	20,579,500	-1.8%	22,039,520	7.1%	23,068,034	4.7%	(264,267)	22,803,767	3.5%

** 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 - MAY 2011

Source	FY12 Budget	% Chg.	Recom. Chg.	FY12 Revised	% Chg.	FY13 Budget	% Chg.	Recom. Chg.	FY13 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	13,700,357	3.4%	(163,429)	13,536,928	-1.9%	14,114,107	3.0%	(248,867)	13,865,240	2.4%
- Real Estate Transfer Tax	11,085,350	-16.6%	(1,318,041)	9,767,309	-28.8%	12,469,679	12.5%	(1,316,212)	11,153,467	14.2%
- Liquor Taxes and Fees	20,378,357	-0.2%	88,423	20,466,780	-1.9%	20,412,066	0.2%	108,247	20,520,313	0.3%
- Corporation Fees & Licenses	7,697,099	0.0%	0	7,697,099	0.0%	7,697,099	0.0%	0	7,697,099	0.0%
- Telecommunications Personal Prop. Tax	14,489,216	-13.6%	0	14,489,216	-13.6%	13,726,626	-5.3%	0	13,726,626	-5.3%
- Finance Industry Fees	22,865,980	0.0%	400,000	23,265,980	-1.7%	22,865,980	0.0%	400,000	23,265,980	0.0%
- Milk Handling Fee	6,289,788	5.7%	(5,163,259)	1,126,529	-69.1%	5,632,646	-10.4%	(2,253,058)	3,379,588	200.0%
- Casino and Racino Revenue	10,845,638	-3.2%	3,799	10,849,437	0.4%	9,892,961	-8.8%	1,587,976	11,480,937	5.8%
- Boat, ATV and Snowmobile Fees	4,500,295	0.0%	0	4,500,295	0.0%	4,500,295	0.0%	0	4,500,295	0.0%
- Hunting and Fishing License Fees	17,420,998	0.0%	(100,000)	17,320,998	0.0%	17,420,998	0.0%	(100,000)	17,320,998	0.0%
- Other Miscellaneous Taxes and Fees	11,653,124	-26.8%	270,891	11,924,015	-29.3%	11,601,655	-0.4%	272,484	11,874,139	-0.4%
Subtotal - Other Taxes and Fees	140,926,202		(5,981,616)	134,944,586	-9.8%	140,334,112	-0.4%	(1,549,430)	138,784,682	2.8%
Detail of Other Revenue:										
- Liquor Sales and Operations	7,691,759	4.1%	(22,032)	7,669,727	5.0%	7,891,759	2.6%	160,079	8,051,838	5.0%
- Targeted Case Management (HHS)	14,067,051	-39.3%	(8,841,851)	5,225,200	-65.2%	14,067,051	0.0%	(8,841,851)	5,225,200	0.0%
- State Cost Allocation Program	16,467,934	-1.4%	0	16,467,934	10.5%	16,437,253	-0.2%	0	16,437,253	-0.2%
- Unclaimed Property Transfer	2,333,420	0.0%	0	2,333,420	0.0%	2,333,420	0.0%	0	2,333,420	0.0%
- Tourism Transfer	(9,305,250)	-2.8%	0	(9,305,250)	-2.8%	(9,661,500)	-3.8%	0	(9,661,500)	-3.8%
- Transfer to Maine Milk Pool	(9,835,826)	-113.3%	8,727,514	(1,108,312)	73.9%	(8,245,952)	16.2%	3,912,816	(4,333,136)	-291.0%
- Transfer to STAR Transportation Fund	(3,115,000)	-0.5%	0	(3,115,000)	-0.5%	(3,130,000)	-0.5%	0	(3,130,000)	-0.5%
- Other Miscellaneous Revenue	24,132,928	-8.1%	550,810	24,683,738	-2.0%	24,156,803	0.1%	(329,190)	23,827,613	-3.5%
Subtotal - Other Revenue	42,437,016	-28.2%	414,441	42,851,457	-11.4%	43,848,834	3.3%	(5,098,146)	38,750,688	-9.6%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Program	(56,000,000)	-28.7%	4,901,385	(51,098,615)	-21.4%	(57,700,000)	-3.0%	5,308,362	(52,391,638)	-2.5%
- BETR - Business Equipment Tax Reimb.	(51,552,995)	-1.0%	0	(51,552,995)	7.2%	(46,282,583)	10.2%	0	(46,282,583)	10.2%
- BETE - Municipal Bus. Equip. Tax Reimb.	(19,431,982)	-10.8%	0	(19,431,982)	-18.9%	(20,199,715)	-4.0%	0	(20,199,715)	-4.0%
Subtotal - Tax Relief Transfers	(126,984,977)	-13.3%	4,901,385	(122,083,592)	-7.1%	(124,182,298)	2.2%	5,308,362	(118,873,936)	2.6%
IF&W Total Revenue **	23,073,274	0.0%	(263,578)	22,809,696	0.0%	23,079,972	0.0%	(261,985)	22,817,987	0.0%

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

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY14 Projection	% Chg.	Recom. Chg.	FY14 Revised	% Chg.	FY15 Projection	% Chg.	Recom. Chg.	FY15 Revised	% Chg.
Detail of Other Taxes and Fees:										
- Property Tax - Unorganized Territory	14,537,530	3.0%	(431,373)	14,106,157	1.7%	14,973,656	3.0%	(684,377)	14,289,279	1.3%
- Real Estate Transfer Tax	9,787,503	-21.5%	(1,319,197)	8,468,306	-24.1%	10,886,403	11.2%	(1,316,356)	9,570,047	13.0%
- Liquor Taxes and Fees	20,445,452	0.2%	74,861	20,520,313	0.0%	20,479,372	0.2%	40,941	20,520,313	0.0%
- Corporation Fees & Licenses	7,697,099	0.0%	0	7,697,099	0.0%	7,697,099	0.0%	0	7,697,099	0.0%
- Telecommunications Personal Prop. Tax	13,726,626	0.0%	0	13,726,626	0.0%	13,726,626	0.0%	0	13,726,626	0.0%
- Finance Industry Fees	22,865,980	0.0%	400,000	23,265,980	0.0%	22,865,980	0.0%	400,000	23,265,980	0.0%
- Milk Handling Fee	5,632,646	0.0%	(2,253,058)	3,379,588	0.0%	5,632,646	0.0%	(2,253,058)	3,379,588	0.0%
- Casino and Racino Revenue	10,177,030	2.9%	1,225,749	11,402,779	-0.7%	10,469,622	2.9%	1,238,837	11,708,459	2.7%
- Boat, ATV and Snowmobile Fees	4,500,295	0.0%	0	4,500,295	0.0%	4,500,295	0.0%	0	4,500,295	0.0%
- Hunting and Fishing License Fees	17,420,998	0.0%	(100,000)	17,320,998	0.0%	17,420,998	0.0%	(100,000)	17,320,998	0.0%
- Other Miscellaneous Taxes and Fees	11,610,689	0.1%	271,256	11,881,945	0.1%	11,620,264	0.1%	268,757	11,889,021	0.1%
Subtotal - Other Taxes and Fees	138,401,848	-1.4%	(2,131,762)	136,270,086	-1.8%	140,272,961	1.4%	(2,405,256)	137,867,705	1.2%
Detail of Other Revenue:										
- Liquor Sales and Operations	7,891,759	0.0%	160,079	8,051,838	0.0%	7,891,759	0.0%	160,079	8,051,838	0.0%
- Targeted Case Management (HHS)	14,067,051	0.0%	(8,841,851)	5,225,200	0.0%	14,067,051	0.0%	(8,841,851)	5,225,200	0.0%
- State Cost Allocation Program	16,437,253	0.0%	0	16,437,253	0.0%	16,437,253	0.0%	0	16,437,253	0.0%
- Unclaimed Property Transfer	2,333,420	0.0%	0	2,333,420	0.0%	2,333,420	0.0%	0	2,333,420	0.0%
- Tourism Transfer	(10,127,000)	-4.8%	0	(10,127,000)	-4.8%	(10,630,975)	-5.0%	0	(10,630,975)	-5.0%
- Transfer to Maine Milk Pool	(8,245,952)	0.0%	3,912,816	(4,333,136)	0.0%	(8,245,952)	0.0%	3,912,816	(4,333,136)	0.0%
- Transfer to STAR Transportation Fund	(3,160,000)	-1.0%	0	(3,160,000)	-1.0%	(3,190,000)	-0.9%	0	(3,190,000)	-0.9%
- Other Miscellaneous Revenue	24,120,842	-0.1%	(329,190)	23,791,652	-0.2%	24,188,442	0.3%	(329,190)	23,859,252	0.3%
Subtotal - Other Revenue	43,317,373	-1.2%	(5,098,146)	38,219,227	-1.4%	42,850,998	-1.1%	(5,098,146)	37,752,852	-1.2%
Detail of Transfers to Tax Relief Programs:										
- Maine Resident Property Tax Program	(53,547,597)	7.2%	(1,948,679)	(55,496,276)	-5.9%	(55,203,454)	-3.1%	(3,107,049)	(58,310,503)	-5.1%
- BETR - Business Equipment Tax Reimb.	(42,100,000)	9.0%	0	(42,100,000)	9.0%	(38,500,000)	8.6%	0	(38,500,000)	8.6%
- BETE - Municipal Bus. Equip. Tax Reimb.	(19,609,982)	2.9%	0	(19,609,982)	2.9%	(21,578,540)	-10.0%	0	(21,578,540)	-10.0%
Subtotal - Tax Relief Transfers	(115,257,579)	7.2%	(1,948,679)	(117,206,258)	1.4%	(115,281,994)	0.0%	(3,107,049)	(118,389,043)	-1.0%
IF&W Total Revenue **	23,089,006	0.0%	(263,213)	22,825,793	0.0%	23,098,581	0.0%	(265,712)	22,832,869	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.

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY07 Actual	FY08 Actual	% Chg.	FY09 Actual	% Chg.	FY10 Actual	% Chg.	FY11 Budget	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Fuel Taxes												
- Gasoline Tax	185,677,576	183,710,458	-1.1%	178,960,918	-2.6%	196,559,480	9.8%	194,694,000	-0.9%	(474,000)	194,220,000	-1.2%
- Special Fuel and Road Use Taxes	45,805,856	46,139,086	0.7%	41,811,377	-9.4%	45,227,703	8.2%	43,651,789	-3.5%	108,211	43,760,000	-3.2%
- Transcap Transfers - Fuel Taxes	0	0	N/A	0	N/A	(17,631,888)	N/A	(17,503,281)	0.7%	26,545	(17,476,736)	0.9%
- Other Fund Gasoline Tax Distributions	(4,659,415)	(4,614,205)	1.0%	(4,556,751)	1.2%	(4,964,589)	-9.0%	(4,968,712)	-0.1%	11,852	(4,956,860)	0.2%
Subtotal - Fuel Taxes	226,824,018	225,235,339	-0.7%	216,215,544	-4.0%	219,190,706	1.4%	215,873,796	-1.5%	(327,392)	215,546,404	-1.7%
Motor Vehicle Registration and Fees												
- Motor Vehicle Registration Fees	65,216,811	64,512,423	-1.1%	62,630,817	-2.9%	64,601,757	3.1%	64,718,038	0.2%	57,274	64,775,312	0.3%
- License Plate Fees	2,355,987	2,460,929	4.5%	3,232,451	31.4%	3,436,943	6.3%	3,445,125	0.2%	(96,825)	3,348,300	-2.6%
- Long-term Trailer Registration Fees	0	0	N/A	7,450,990	N/A	7,884,523	5.8%	7,884,523	0.0%	1,000,000	8,884,523	12.7%
- Title Fees	9,697,812	9,363,014	-3.5%	9,780,026	4.5%	10,846,661	10.9%	10,871,056	0.2%	0	10,871,056	0.2%
- Motor Vehicle Operator License Fees	9,720,114	9,450,155	-2.8%	8,489,006	-10.2%	5,820,958	-31.4%	5,958,859	2.4%	(21,127)	5,937,732	2.0%
- Transcap Transfers - Motor Vehicle Fees	0	0	N/A	0	N/A	(14,823,141)	N/A	(14,830,531)	0.0%	0	(14,830,531)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	86,990,724	85,786,520	-1.4%	91,583,289	6.8%	77,767,700	-15.1%	78,047,070	0.4%	939,322	78,986,392	1.6%
Motor Vehicle Inspection Fees	3,101,739	2,940,387	-5.2%	2,975,807	1.2%	2,810,679	-5.5%	2,952,500	5.0%	80,000	3,032,500	7.9%
Other Highway Fund Taxes and Fees	1,532,730	1,552,173	1.3%	1,392,598	-10.3%	1,338,193	-3.9%	1,325,823	-0.9%	0	1,325,823	-0.9%
Fines, Forfeits and Penalties	1,668,000	1,747,986	4.8%	1,785,197	2.1%	1,440,062	-19.3%	1,305,049	-9.4%	(100,000)	1,205,049	-16.3%
Income from Investments	1,105,987	1,152,491	4.2%	480,419	-58.3%	162,488	-66.2%	122,038	-24.9%	(1,604)	120,434	-25.9%
Other Highway Fund Revenues	9,597,886	9,721,683	1.3%	9,809,296	0.9%	8,480,545	-13.5%	8,102,531	-4.5%	(30,000)	8,072,531	-4.8%
Total - Highway Fund Revenue	330,821,083	328,136,579	-0.8%	324,242,149	-1.2%	311,190,374	-4.0%	307,728,807	-1.1%	560,326	308,289,133	-0.9%

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY12 Budget	% Chg.	Recom. Chg.	FY12 Revised	% Chg.	FY13 Budget	% Chg.	Recom. Chg.	FY13 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	198,574,000	2.0%	36,000	198,610,000	2.3%	203,534,000	2.5%	1,216,000	204,750,000	3.1%
- Special Fuel and Road Use Taxes	43,861,789	0.5%	498,211	44,360,000	1.4%	44,411,789	1.3%	1,118,211	45,530,000	2.6%
- Transcap Transfers - Fuel Taxes	(17,802,753)	1.7%	(39,999)	(17,842,752)	-2.1%	(18,206,701)	-2.3%	(172,785)	(18,379,486)	-3.0%
- Other Fund Gasoline Tax Distributions	(5,065,741)	2.0%	(900)	(5,066,641)	-2.2%	(5,189,775)	-2.4%	(30,409)	(5,220,184)	-3.0%
Subtotal - Fuel Taxes	219,567,295	1.7%	493,312	220,060,607	2.1%	224,549,313	2.3%	2,131,017	226,680,330	3.0%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	64,748,662	0.0%	57,274	64,805,936	0.0%	64,748,662	0.0%	57,274	64,805,936	0.0%
- License Plate Fees	3,442,134	-0.1%	(96,825)	3,345,309	-0.1%	3,439,506	-0.1%	(96,825)	3,342,681	-0.1%
- Long-term Trailer Registration Fees	7,884,523	0.0%	1,000,000	8,884,523	0.0%	7,884,523	0.0%	1,000,000	8,884,523	0.0%
- Title Fees	11,044,291	1.6%	0	11,044,291	1.6%	11,111,878	0.6%	0	11,111,878	0.6%
- Motor Vehicle Operator License Fees	9,145,953	53.5%	(21,127)	9,124,826	53.7%	9,441,183	3.2%	(21,127)	9,420,056	3.2%
- Transcap Transfers - Motor Vehicle Fees	(14,883,030)	-0.4%	0	(14,883,030)	-0.4%	(14,903,510)	-0.1%	0	(14,903,510)	-0.1%
Subtotal - Motor Vehicle Reg. & Fees	81,382,533	4.3%	939,322	82,321,855	4.2%	81,722,242	0.4%	939,322	82,661,564	0.4%
Motor Vehicle Inspection Fees	2,982,500	1.0%	0	2,982,500	-1.6%	2,982,500	0.0%	0	2,982,500	0.0%
Other Highway Fund Taxes and Fees	1,305,805	-1.5%	0	1,305,805	-1.5%	1,305,805	0.0%	0	1,305,805	0.0%
Fines, Forfeits and Penalties	1,305,049	0.0%	(100,000)	1,205,049	0.0%	1,305,049	0.0%	(100,000)	1,205,049	0.0%
Income from Investments	94,531	-22.5%	(1,350)	93,181	-22.6%	94,531	0.0%	294,068	388,599	317.0%
Other Highway Fund Revenues	8,388,443	3.5%	0	8,388,443	3.9%	8,410,404	0.3%	0	8,410,404	0.3%
Total - Highway Fund Revenue	315,026,156	2.4%	1,331,284	316,357,440	2.6%	320,369,844	1.7%	3,264,407	323,634,251	2.3%
Change in Biennial Totals								4,595,691		

HIGHWAY FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY14 Projection	% Chg.	Recom. Chg.	FY14 Revised	% Chg.	FY15 Projection	% Chg.	Recom. Chg.	FY15 Revised	% Chg.
Fuel Taxes										
- Gasoline Tax	210,224,000	3.3%	306,000	210,530,000	2.8%	217,314,000	3.4%	(1,544,000)	215,770,000	2.5%
- Special Fuel and Road Use Taxes	45,481,789	2.4%	1,148,211	46,630,000	2.4%	46,351,789	1.9%	1,358,211	47,710,000	2.3%
- Transcap Transfers - Fuel Taxes	(18,776,154)	3.1%	(108,492)	(18,884,646)	-2.7%	(19,359,856)	-3.1%	11,038	(19,348,818)	-2.5%
- Other Fund Gasoline Tax Distributions	(5,357,072)	3.2%	(7,652)	(5,364,724)	-2.8%	(5,534,371)	-3.3%	38,609	(5,495,762)	-2.4%
Subtotal - Fuel Taxes	231,572,563	3.1%	1,338,067	232,910,630	2.7%	238,771,562	3.1%	(136,142)	238,635,420	2.5%
Motor Vehicle Registration and Fees										
- Motor Vehicle Registration Fees	64,748,662	0.0%	57,274	64,805,936	0.0%	64,748,662	0.0%	57,274	64,805,936	0.0%
- License Plate Fees	3,439,506	0.0%	(96,825)	3,342,681	0.0%	3,439,506	0.0%	(96,825)	3,342,681	0.0%
- Long-term Trailer Registration Fees	7,884,523	0.0%	1,000,000	8,884,523	0.0%	7,884,523	0.0%	1,000,000	8,884,523	0.0%
- Title Fees	11,111,878	0.0%	0	11,111,878	0.0%	11,111,878	0.0%	0	11,111,878	0.0%
- Motor Vehicle Operator License Fees	8,607,905	-8.8%	(21,127)	8,586,778	-8.8%	7,511,583	-12.7%	(21,127)	7,490,456	-12.8%
- Transcap Transfers - Motor Vehicle Fees	(14,903,510)	0.0%	0	(14,903,510)	0.0%	(14,903,510)	0.0%	0	(14,903,510)	0.0%
Subtotal - Motor Vehicle Reg. & Fees	80,888,964	-1.0%	939,322	81,828,286	-1.0%	79,792,642	-1.4%	939,322	80,731,964	-1.3%
Motor Vehicle Inspection Fees	2,982,500	0.0%	0	2,982,500	0.0%	2,982,500	0.0%	0	2,982,500	0.0%
Other Highway Fund Taxes and Fees	1,305,805	0.0%	0	1,305,805	0.0%	1,305,805	0.0%	0	1,305,805	0.0%
Fines, Forfeits and Penalties	1,305,049	0.0%	(100,000)	1,205,049	0.0%	1,305,049	0.0%	(100,000)	1,205,049	0.0%
Income from Investments	448,013	373.9%	129,487	577,500	48.6%	448,013	0.0%	129,487	577,500	0.0%
Other Highway Fund Revenues	8,382,964	-0.3%	0	8,382,964	-0.3%	8,424,124	0.5%	0	8,424,124	0.5%
Total - Highway Fund Revenue	326,885,858	2.0%	2,306,876	329,192,734	1.7%	333,029,695	1.9%	832,667	333,862,362	1.4%
Change in Biennial Totals								3,139,543		

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011**

Source	FY07 Actual	FY08 Actual	% Chg.	FY09 Actual	% Chg.	FY10 Actual	% Chg.	FY11 Budget	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Tobacco Settlement Payments:												
- Base Payments	47,113,687	47,679,747	1.2%	52,579,385	10.3%	43,756,453	-16.8%	40,092,815	-8.4%	1,391,897	41,484,712	-5.2%
- Strategic Contribution Payments	0	10,539,443	N/A	10,799,369	2.5%	9,375,838	-13.2%	8,342,659	-11.0%	201,988	8,544,647	-8.9%
Racino Revenue *	3,538,805	3,735,774	5.6%	4,981,163	33.3%	4,500,000	-9.7%	4,500,000	0.0%	0	4,500,000	0.0%
Income from Investments	297,803	64,695	-78.3%	49,819	-23.0%	20,511	-58.8%	3,766	-81.6%	(1,779)	1,987	-90.3%
Attorney General Reimbursements and Other Income **	217	25,080	N/A	0	-100.0%	(92,660)	N/A	(145,147)	-56.6%	0	(145,147)	-56.6%
Total - FHM Revenue	50,950,512	62,044,739	21.8%	68,409,736	10.3%	57,560,142	-15.9%	52,794,093	-8.3%	1,592,106	54,386,199	-5.5%

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011**

Source	FY12 Budget	% Chg.	Recom. Chg.	FY12 Revised	% Chg.	FY13 Budget	% Chg.	Recom. Chg.	FY13 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	40,656,099	1.4%	0	40,656,099	-2.0%	40,678,468	0.1%	0	40,678,468	0.1%
- Strategic Contribution Payments	8,460,640	1.4%	0	8,460,640	-1.0%	8,467,725	0.1%	0	8,467,725	0.1%
Racino Revenue *	4,500,000	0.0%	0	4,500,000	0.0%	5,601,895	24.5%	(251,249)	5,350,646	18.9%
Income from Investments	4,175	10.9%	2,336	6,511	227.7%	8,834	111.6%	12,905	21,739	233.9%
Attorney General Reimbursements and Other Income **	(161,786)	-11.5%	0	(161,786)	-11.5%	(164,751)	-1.8%	0	(164,751)	-1.8%
Total - FHM Revenue	53,459,128	1.3%	2,336	53,461,464	-1.7%	54,592,171	2.1%	(238,344)	54,353,827	1.7%
Change in Biennial Totals								(236,008)		

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011**

Source	FY14 Projection	% Chg.	Recom. Chg.	FY14 Revised	% Chg.	FY15 Projection	% Chg.	Recom. Chg.	FY15 Revised	% Chg.
Tobacco Settlement Payments:										
- Base Payments	46,373,513	14.0%	0	46,373,513	14.0%	45,870,270	-1.1%	0	45,870,270	-1.1%
- Strategic Contribution Payments	8,474,817	0.1%	0	8,474,817	0.1%	8,481,914	0.1%	0	8,481,914	0.1%
Racino Revenue *	5,769,952	3.0%	(258,786)	5,511,166	3.0%	5,943,051	3.0%	(266,550)	5,676,501	3.0%
Income from Investments	22,512	154.8%	1,590	24,102	10.9%	22,512	0.0%	1,590	24,102	0.0%
Attorney General Reimbursements and Other Income **	(167,956)	-1.9%	0	(167,956)	-1.9%	(171,315)	-2.0%	0	(171,315)	-2.0%
Total - FHM Revenue	60,472,838	10.8%	(257,196)	60,215,642	10.8%	60,146,432	-0.5%	(264,960)	59,881,472	-0.6%
								(522,156)		

* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

** Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY07 Actual	FY08 Actual	% Chg.	FY09 Actual	% Chg.	FY10 Actual	% Chg.	FY11 Budget	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Nursing Facility Tax*	30,061,513	31,343,582	4.3%	28,777,390	-8.2%	32,403,540	12.6%	32,403,540	0.0%	(1,520,750)	30,882,790	2.4%
Residential Treatment Facility (ICFs/MR) Tax*	1,880,205	1,819,275	-3.2%	1,572,670	-13.6%	1,859,374	18.2%	1,859,374	0.0%	(79,575)	1,779,799	14.6%
Hospital Tax **	59,807,056	60,515,510	1.2%	69,958,821	15.6%	70,140,794	0.3%	81,386,215	16.0%	0	81,386,215	16.2%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)***	33,955,412	36,494,882	7.5%	37,720,482	3.4%	35,609,109	-5.6%	35,609,109	0.0%	(1,779,844)	33,829,265	-7.5%
Total - Health Care Provider Taxes	125,704,185	130,173,249	3.6%	138,029,363	6.0%	140,012,817	1.4%	151,258,238	8.0%	(3,380,169)	147,878,069	6.9%

* The nursing facility and residential treatment facility tax rates were decreased in PL 2007, c. 539, Part X from 6.0% to 5.5% beginning in FY09 consistent with federal law.

** The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.

*** The MaineCare service provider tax was expanded in FY06 to include: community support services (effective 6/29/05), day habilitation services (effective 7/1/05), personal support services (effective 7/1/05) and residential training services (effective 7/1/05).

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY12 Budget	% Chg.	Recom. Chg.	FY12 Revised	% Chg.	FY13 Budget	% Chg.	Recom. Chg.	FY13 Revised	% Chg.
Nursing Facility Tax	32,403,540	0.0%	0	32,403,540	4.9%	32,403,540	0.0%	0	32,403,540	0.0%
Residential Treatment Facility (ICFs/MR) Tax	1,859,374	0.0%	0	1,859,374	4.5%	1,859,374	0.0%	0	1,859,374	0.0%
Hospital Tax **	81,386,215	0.0%	0	81,386,215	0.0%	81,386,215	0.0%	0	81,386,215	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	35,609,109	0.0%	0	35,609,109	5.3%	35,609,109	0.0%	0	35,609,109	0.0%
Total - Health Care Provider Taxes	151,258,238	0.0%	0	151,258,238	2.3%	151,258,238	0.0%	0	151,258,238	0.0%
Change in Biennial Totals								0		

** The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.

MEDICAID/MAINECARE DEDICATED REVENUE TAXES

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MAY 2011

Source	FY14 Projection	% Chg.	Recom. Chg.	FY14 Revised	% Chg.	FY15 Projection	% Chg.	Recom. Chg.	FY15 Revised	% Chg.
Nursing Facility Tax	32,403,540	0.0%	0	32,403,540	0.0%	32,403,540	0.0%	0	32,403,540	0.0%
Residential Treatment Facility (ICFs/MR) Tax	1,859,374	0.0%	0	1,859,374	0.0%	1,859,374	0.0%	0	1,859,374	0.0%
Hospital Tax **	81,386,215	0.0%	0	81,386,215	0.0%	81,386,215	0.0%	0	81,386,215	0.0%
Service Provider Tax - Private Non-Medical Institutions (PNMIs)	35,609,109	0.0%	0	35,609,109	0.0%	35,609,109	0.0%	0	35,609,109	0.0%
Total - Health Care Provider Taxes	151,258,238	0.0%	0	151,258,238	0.0%	151,258,238	0.0%	0	151,258,238	0.0%
Change in Biennial Totals								0		

** The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.