**Section 1: TAX EXPENDITURES**

State law requires Maine Revenue Services to provide two tax expenditure reports in January of every odd-numbered year. The first report must be included in the state budget document. 5 M.R.S.A.

§1664 provides that the document specifically include

. . . the estimated loss in revenue during the last completed fiscal year and the fiscal year in progress, and the anticipated loss in revenue for each fiscal year of the ensuing biennium, caused by the tax expenditures provided in Maine statutes; the term "tax expenditures" means those State tax revenue losses attributable to provisions of Maine tax laws which allow a

special exclusion, exemption or deduction or which provide a specific credit, a preferential rate of tax or a deferral of tax liability.

The second report, required by 36 M.R.S.A. § 199-B, must be submitted to the Joint Standing

Committee on Taxation. This report must contain

a summary of each tax expenditure, a description of the purpose and background of the tax expenditure and the groups likely to benefit from the tax expenditure, an estimate of the cost of the tax expenditure for the current biennium, any issues regarding tax expenditures that need to be considered by the Legislature, and any recommendation regarding the amendment, repeal or replacement of the tax expenditure.”

This report meets the first statutory requirement.

The tax expenditure budget is a concept that was developed to assure a budget review process for tax preferences similar to the review required for direct expenditure programs. The federal government and most state governments engage in a periodic review of tax expenditures. At the federal level a

“normal” income tax structure is first determined using the broadest possible definition of income. Tax expenditures are reductions in income caused by a special exclusion, exemption or deduction, or reductions in tax liability which provide a tax credit, preferential tax rate or deferral of tax liability. At the state level this same “normal” tax law reference is used to calculate both sales and income tax expenditures.

Generally, tax expenditures provide tax incentives designed to encourage certain activities by taxpayers or provide relief to taxpayers in special circumstances. Many tax expenditures are the equivalent of a governmental subsidy in which the foregone tax revenue is essentially a direct budget outlay to specific groups of taxpayers. The object of this report is to identify and estimate the fiscal impact of those provisions of the state tax structure which grant benefits analogous to those provided by direct state spending programs.

In developing this report we have excluded from the above definition of tax expenditure those expenditures that are (1) established by federal mandate (e.g., the sale tax exclusion for food stamp purchases), (2) created at the state level to maintain conformity with traditional tax law when the federal government deviates from that law because it creates credits that the state does not adopt (e.g., the subtraction modification associated with federal work opportunity credit), or (3) the result of the

state taxing certain activities under a different tax system (e.g., the income of a financial institution that is an S corporation).

In estimating the revenue loss attributed to a particular tax expenditure, it is assumed that the provision of law granting special tax treatment is repealed and that no other changes in tax law, taxpayer

behavior or general economic activity occur as a result of its repeal. Consequently, it should not be concluded that the repeal of any of these tax expenditures will necessarily generate the amount of revenue which they are estimated to forego.

Some tax expenditures are estimated rather accurately from available administrative information or the state’s micro-simulation tax models. For a much larger number of expenditures, special data must be developed which is less complete and accurate. Estimates for FY14 and FY15 generally assume modest increases in business activity and inflation, based on the economic forecast provided by Consensus Economic Forecasting Committee in November 2012.

Finally, there are some expenditures where no information exists, and our limited resources prevent any special survey or other data generation procedures. Estimates for this group are reported as a range in an attempt to place some bounds on the size of these expenditures.

Maine's individual and corporate income tax systems are based upon the federal definitions of adjusted gross income and taxable income. Therefore, certain tax expenditures are authorized by continued acceptance of the provisions of the Internal Revenue Code. Unlike sales and excise tax expenditures

or state income tax expenditures related to state tax credits or modifications from Federal AGI, these are not subject to a systematic, periodic review by the Legislature. In many cases, the basis for identifying, estimating and forecasting income tax expenditures which are derived from federal conformity is the Joint Committee on Taxation’s *Estimates of Federal Tax Expenditures for Fiscal Years 2011-2015*, compiled by the U.S. Joint Standing Committee on Taxation (January 17, 2012).

Tax expenditures resulting from conformity to Federal Adjusted Gross Income that do not involve an above-the-line deduction on the Federal Form 1040 are particularly challenging to estimate due to a lack of data. For this reason we isolate these expenditures at the end of the income tax section and provide specific estimates only for the largest expenditures. These estimates, based on the JCT study are only intended to convey the order of magnitude of the expenditure.

All tax expenditure estimates in this report reflect revenue loss to the General Fund.

**Appendix A: General Fund Tax Expenditures – Income Tax (Personal and Corporate) and Property Tax**

**Reimbursement**

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| **General Fund Income Tax Expenditures**  Reimbursement for Business Equipment Tax Exemption to  Municipalities | **36 MRSA §**  691 | **FY'12**  $19,120,021 | **FY'13**  $21,372,102 | **FY'14**  $22,575,498 | **FY'15**  $27,103,362 |
| Reimbursement for Taxes Paid on Certain Business Property  (BETR) | Chapter 915 | $52,902,995 | $47,632,583 | $42,450,000 | $38,850,000 |
| Maine Residents Property Tax Program | Chapter 907 | $43,411,086 | $43,081,877 | $56,696,276 | $59,510,503 |
| Deduction for Affordable Housing | 5122(2)(Z) | D | D | D | D |
| Deduction for Social Security Benefits Taxable at Federal Level | 5122(2)(C) | $50,129,600 | $52,737,350 | $55,215,900 | $57,500,650 |
| Deduction for Contributions to Capital Construction Funds  Deduction for Premiums Paid for Long-Term Health Care  Insurance | 5122(2)(I)  5122(2)(L)&(T) | A  $1,871,000 | A  $1,913,000 | A  $1,962,000 | A  $2,001,000 |
| Deduction for Pension Income  Deduction for Interest and Dividends on Maine State and Local  Securities - Individual Income Tax | 5122(2)(M)  5122(2)(N) | $15,200,000  $120,000 | $15,200,000  $120,000 | $19,640,000  $120,000 | $30,300,000  $120,000 |
| Deduction for Holocaust Victim Settlement Payments | 5122(2)(O) | A | A | A | A |
| Deduction for Contributions to IRC 529 Qualified Tuition Plans | 5122(2)(Y) | $222,000 | $233,000 | $245,000 | $257,000 |
| Deduction for Dentists with Military Pensions | 5122(2)(BB) | A | A | A | A |
| Itemized Deductions | 5125 | $128,105,000 | $124,598,000 | $128,316,000 | $140,094,000 |
| Additional standard deduction for the elderly and disabled | 5124-A | $4,772,000 | $4,694,000 | $4,518,000 | $4,646,000 |
| Deduction for Exempt Associations, Trusts and Organizations | 5162(2) | A | A | A | A |
| Credit for Income Tax Paid to Other State by an Estate or Trust | 5165 | A | A | A | A |
| Deduction for Dividends Received from Nonunitary Affiliates  Deduction for Interest and Dividends on U.S., Maine State and  Local Securities | 5200-A(2)(G)  5200-A(2)(A)&(G) | $10,000,000  $225,000 | $10,000,000  $225,000 | $10,200,000  $300,000 | $10,200,000  $320,000 |
| Credit to Beneficiary for Accumulation Distribution | 5214-A | A | A | A | A |
| Jobs and Investment Tax Credit | 5215 | C | C | C | C |
| Seed Capital Investment Tax Credit  Credit for Contributions to Family Development Account Reserve  Funds | 5216-B  5216-C | $1,500,000  A | $1,500,000  A | $1,500,000  A | $1,500,000  A |
| Credit for Employer-Assisted Day Care | 5217 | A | A | A | A |
| Credit for Income Tax Paid to Other Jurisdiction | 5217-A | $41,640,000 | $42,940,000 | $46,160,000 | $48,480,000 |
| Credit for Employer-Provided Long-Term Care Benefits | 5217-C | A | A | A | A |
| Credit for Educational Opportunity | 5217-D | $570,000 | $1,740,000 | $3,530,000 | $5,210,000 |
| Income Tax Credit for Child Care Expense | 5218 | $3,832,000 | $3,878,000 | $3,924,000 | $3,972,000 |
| Retirement and Disability Credit | 5219-A | $5,000 | $5,000 | $5,000 | $5,000 |
| Forest Management Planning Income Credits | 5219-C | $70,000 | $70,000 | $70,000 | $70,000 |
| Research Expense Tax Credit  Super Credit for Substantially Increased Research & Development | 5219-K  5219-L | $850,000  $4,000,000 | $850,000  $4,000,000 | $850,000  $4,000,000 | $850,000  $4,000,000 |
| High-Technology Investment Tax Credit | 5219-M | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 |
| Credit for Dependent Health Benefits Paid | 5219-O | A | A | A | A |
| Quality Child Care Investment Credit | 5219-Q | A | A | A | A |
| Credit for Rehabilitation of Historic Properties | 5219-R & 5219-BB | $3,900,000 | $7,200,000 | $8,600,000 | $7,900,000 |
| Earned Income Credit | 5219-S | $3,026,000 | $1,701,000 | $877,000 | $937,000 |
| Pine Tree Development Zone Tax Credit | 5219-W | $3,350,000 | $3,330,000 | $3,300,000 | $3,300,000 |
| Biofuel Commercial Production and Commercial Use | 5219-X | A | A | A | A |
| Tax Benefits for Media Production Companies | 5219-Y, c. 919-A | B | B | B | B |
| Tax Credit for Pollution-Reducing Boilers | 5219-Z | A | A | A | A |
| Dental Care Access Credit | 5219-BB | $91,000 | $125,000 | $150,000 | $162,000 |
| New Markets Capital Investment Credit | 5219-HH | $0 | $0 | $0 | $5,600,000 |
| Credit for Wellness Programs | 5219-FF | $0 | $0 | $79,000 | $318,000 |
| Maine fishery infrastructure investment tax credit | 5216-D | $11,250 | $55,000 | $95,000 | $135,000 |
| Innovation Finance Credit | 5219-EE | $0 | $0 | \* | \* |

A represents an estimated spread of $0 - $49,999

B represents an estimated spread of $50,000 - $249,999

C represents an estimated spread of $0 - $1,000,000

D represents an estimated spread of $0 - $200,000

\* represents a potential liability

Financing Programs

CONFORMITY WITH INTERNAL REVENUE CODE DEFINITION OF FEDERAL ADJUSTED GROSS INCOME: ABOVE THE LINE DEDUCTIONS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Appendix A Continued** |  | | | | |
| **General Fund Income Tax Expenditures** | **36 MRSA §** | **FY'12** | **FY'13** | **FY'14** | **FY'15** |
| Employment Tax Increment Financing, including certain Job Increment | Chapter 917 | $9,186,000 | $10,486,000 | $10,839,000 | $10,599,000 |
| Shipbuilding Facility Credit | Chapter 919 | $2,968,750 | $2,968,750 | $2,968,750 | $2,968,750 |

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| --- | --- | --- | --- | --- | --- |
| Health Savings Accounts | 5102(1-D) | $867,000 | $864,000 | $846,000 | $858,000 |
| Deduction for Interest of Student Loans | 5102(1-D) | $3,288,000 | $2,410,000 | $991,000 | $998,000 |
| Moving Expenses Deduction | 5102(1-D) | $228,000 | $226,000 | $223,000 | $223,000 |
| Pension Contributions -- Individual Retirement Plans | 5102(1-D) | $5,648,000 | $5,736,000 | $5,762,000 | $6,056,000 |
| Pension Contributions -- Partners & Sole Proprietors --Self-employed | 5102(1-D) | $4,968,000 | $5,135,000 | $5,342,000 | $5,712,000 |
| SEP, SIMPLE, and KEOGH Plans |  |  |  |  |  |
| Self-Employed Medical Insurance Premiums 5102(1-D) | | $7,086,000 | $7,244,000 | $7,282,000 | $7,746,000 |

CONFORMITY WITH INTERNAL REVENUE CODE DEFINITION OF FEDERAL ADJUSTED GROSS INCOME: OTHER

Pension Contributions & Earnings -- Employer-Provided Pension

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Contributions and Earnings | 5102(1-D) | $119,278,000 | $140,900,000 | $151,401,000 | $169,292,000 |
| Employer-Paid Medical Insurance and Expenses | 5102(1-D) | $142,666,000 | $158,728,000 | $169,809,000 | $181,599,000 |
| Exclusion of Benefits Provided under Cafeteria Plans | 5102(1-D) | $40,093,000 | $42,528,000 | $45,296,000 | $48,812,000 |
| Exclusion of Capital Gains at Death | 5102(1-D) | $27,733,000 | $32,342,000 | $38,522,000 | $41,360,000 |
| Exclusion of Investment Income on Life Insurance and Annuity |  |  |  |  |  |
| Contracts | 5102(1-D) | $29,290,000 | $28,996,000 | $28,646,000 | $29,370,000 |
| Exclusion of Capital Gains on Sales of Principal Residences | 5102(1-D) | $25,504,000 | $28,029,000 | $28,129,000 | $29,473,000 |
| Exclusion of Medicare Benefits -- Hospital Insurance – |  |  |  |  |  |
| Supplementary Medical Insurance -- Prescription Drug Insurance | 5102(1-D) | $68,159,000 | $78,504,000 | $78,803,000 | $82,009,000 |
| Social Security and Railroad Retirement Benefits Untaxed at the Fed | eral Level5102(1-D) | $36,687,000 | $43,337,000 | $45,351,000 | $46,948,000 |

Other conformity items 5102(1-D) $150 to 250 million per year

**Appendix B: General Fund tax expenditures – Sales, Motor Fuel and Service Provider Taxes**

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| **General Fund Sales & Use Tax Expenditures**  Sales to the State & Political Subdivisions | **36 MRSA §**  1760.2 | **FY'12**  $161,840,080 | **FY'13**  $165,076,881 | **FY'14**  $168,378,419 | **FY'15**  $171,745,988 |
| Grocery Staples | 1760.3 | $78,299,000 | $79,980,500 | $81,700,000 | $83,410,000 |
| Ships Stores | 1760.4 | C | C | C | C |
| Prescription Drugs | 1760.5 | $15,912,500 | $16,216,500 | $16,558,500 | $16,919,500 |
| Prosthetic Devices | 1760.5A | $4,778,500 | $4,921,000 | $5,082,500 | $5,244,000 |
| Meals Served by Public or Private Schools | 1760.6A | $10,678,000 | $10,891,560 | $11,109,391 | $11,331,579 |
| Meals Served to Patients in Hospitals & Nursing Homes | 1760.6B | $4,085,000 | $4,208,500 | $4,360,500 | $4,522,000 |
| Providing Meals for the Elderly | 1760.6C | $323,190 | $324,806 | $326,430 | $328,063 |
| Meals to Residents of Certain Nonprofit Congregate Housing Facilities | 1760.6D | A | A | A | A |
| Certain Meals Served by Colleges to Employees of the College | 1760.6E | A | A | A | A |
| Meals Served by Youth Camps that are Licensed by DHHS | 1760.6F | C | C | C | C |
| Meals Served by a Retirement Facility to its Residents | 1760.6G | $1,299,600 | $538,175 | $554,320 | $570,950 |
| Products Used in Agricultural and Aquacultural Production & Bait | 1760.7A-C | $2,745,500 | $2,793,000 | $2,859,500 | $2,926,000 |
| Certain Jet Fuel | 1760.8B | $2,935,636 | $3,023,705 | $3,114,415 | $3,207,848 |
| Coal, Oil & Wood for Cooking & Heating Homes | 1760.9 | $35,292,500 | $35,720,000 | $36,375,500 | $37,135,500 |
| Fuel Oil for Burning Blueberry Land | 1760.9A | A | A | A | A |
| First 750 KW Hours of Residential Electricity per Month | 1760.9B | $24,985,000 | $25,365,000 | $25,745,000 | $26,125,000 |
| Gas When Used for Cooking & Heating in Residences | 1760.9C | $4,531,500 | $4,607,500 | $4,693,000 | $4,740,500 |
| Fuel and Electricity Used in Manufacturing | 1760.9D | $24,456,915 | $24,701,484 | $25,195,513 | $25,699,424 |
| Fuel Oil or Coal which become an Ingredient or Component Part | 1760.9G | A | A | A | A |
| Certain Returnable Containers | 1760.12 | $1,249,936 | $1,287,434 | $1,326,057 | $1,365,839 |
| Packaging Materials | 1760.12A | $10,003,500 | $10,174,500 | $10,459,500 | $10,773,000 |
| Publications Sold on Short Intervals | 1760.14 | $4,227,500 | $4,313,000 | $4,398,500 | $4,484,000 |
| Sales to Hospitals, Research Centers, Churches and Schools | 1760.16 | F | F | F | F |
| Rental Charges for Living Quarters in Nursing Homes and Hospitals | 1760.18 | C | C | C | C |
| Sales to Certain Nonprofit Residential Child Care Institutions | 1760.18A | B | B | B | B |
| Rental of Living Quarters at Schools | 1760.19 | E | E | E | E |
| Rental Charges on Continuous Residence for More Than 28 Days | 1760.20 | $20,624,500 | $20,767,000 | $20,890,500 | $20,957,000 |
| Automobiles Used in Driver Education Programs | 1760.21 | A | A | A | A |
| Certain Loaner Vehicles | 1760.21A | $228,000 | $232,560 | $237,211 | $241,956 |
| Automobiles Sold to Amputee Veterans | 1760.22 | A | A | A | A |
| Certain Vehicles Purchased or Leased by Nonresidents | 1760.23C | C | C | C | C |
| Certain Vehicles Purchased or Leased by Qualifying Resident Businesses | 1760.23D | $845,500 | $862,410 | $879,658 | $897,251 |
| Funeral Services | 1760.24 | $3,524,500 | $3,638,500 | $3,762,000 | $3,885,500 |
| Watercraft Purchased by Nonresidents | 1760.25 | C | C | C | C |
| Snowmobiles & All-terrain Vehicles Purchased by Nonresidents | 1760.25A,B | B | B | B | B |
| Sales to Ambulance Services & Fire Departments | 1760.26 | C | C | C | C |
| Sales to Mental Health, Substance Abuse & Mental Retardation Facilities | 1760.28 | B | B | B | B |
| Water Pollution Control Facilities | 1760.29 | C | C | C | C |
| Air Pollution Control Facilities | 1760.30 | C | C | C | C |
| Machinery & Equipment | 1760.31 | $21,663,990 | $21,915,360 | $22,325,760 | $22,778,910 |
| New Machinery for Experimental Research | 1760.32 | B | B | B | B |
| Diabetic Supplies | 1760.33 | $956,608 | $985,307 | $1,014,866 | $1,045,363 |
| Sales Through Coin Operated Vending Machines | 1760.34 | $417,406 | $425,755 | $434,270 | $442,955 |
| Goods & Services for Seeing Eye Dogs | 1760.35 | A | A | A | A |
| Sales to Regional Planning Agencies | 1760.37 | A | A | A | A |
| Water Used in Private Residences | 1760.39 | $8,160,500 | $8,227,000 | $8,284,000 | $8,331,500 |
| Mobile & Modular Homes | 1760.40 | $17,560,243 | $17,735,845 | $18,001,883 | $18,271,911 |
| Property Used in Interstate Commerce | 1760.41 | D | D | D | D |
| Sales to Historical Societies & Museums | 1760.42 | B | B | B | B |
| Sales to Day Care Centers & Nursery Schools | 1760.43 | B | B | B | B |
| Sales to Church Affiliated Residential Homes | 1760.44 | A | A | A | A |
| Certain Property Purchased Out of State | 1760.45 | D | D | D | D |
| Sales to Organ. that Provide Residential Facilities for Med. Patients | 1760.46 | A | A | A | A |
| Sales to Emergency Shelters & Feeding Organizations | 1760.47A | B | B | B | B |

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| Sales to Comm. Action Agencies; Child Abuse Councils; C Sales to any Nonprofit Free Libraries | hild Advocacy Orgs.1760.49  1760.50 | | C B | C B | C B | C B |
| Sales to Veterans Memorial Cemetery Associations | 1760.51 | | A | A | A | A |
| Railroad Track Materials | 1760.52 | | $323,000 | $332,500 | $351,500 | $361,000 |
| Sales to Nonprofit Rescue Operations | 1760.53 | | A | A | A | A |
| Sales to Hospice Organizations | 1760.55 | | A | A | A | A |
| Sales to Nonprofit Youth & Scouting Organizations | 1760.56 | | C | C | C | C |
| Self-Help Literature on Alcoholism | 1760.57 | | A | A | A | A |
| Portable Classrooms | 1760.58 | | A | A | A | A |
| Sales to Certain Incorporated Nonprofit Educational Orgs. | 1760.59 | | A | A | A | A |
| Sales to Incorporated Nonprofit Animal Shelters | 1760.60 | | A | A | A | A |
| Construction Contracts with Exempt Organizations | 1760.61 | | D | D | D | D |
| Sales to Certain Charitable Suppliers of Medical Equipment | 1760.62 | | A | A | A | A |
| Sales to Orgs that Fulfill the Wishes of Children with Life-T | hreatening Diseases1760.63 | | A | A | A | A |
| Sales by Schools & School-Sponsored Organizations | | 1760.64 | C | C | C | C |
| Sales to Monasteries and Convents | | 1760.65 | A | A | A | A |
| Sales to Providers of Certain Support Systems for Single-Parent Families | | 1760.66 | A | A | A | A |
| Sales to Nonprofit Home Construction Organizations | | 1760.67 | B | B | B | B |
| Sales to Orgs that Create & Maintain a Registry of Vietnam Veterans | | 1760.69 | A | A | A | A |
| Sales to Orgs that Provide Certain Services for Hearing-Impaired Persons | | 1760.70 | A | A | A | A |
| Sales to State-Chartered Credit Unions | | 1760.71 | A | A | A | A |
| Sales to Nonprofit Housing Development Organizations | | 1760.72 | B | B | B | B |
| Seedlings for Commercial Forestry Use | | 1760.73 | B | B | B | B |
| Property Used in Manufacturing Production | | 1760.74 | $98,621,400 | $99,836,640 | $101,706,240 | $103,770,590 |
| Meals & Lodging Provided to Employees | | 1760.75 | $143,450 | $145,350 | $146,300 | $147,250 |
| Certain Aircraft Parts | | 1760.76 | A | A | A | A |
| Sales to Eye Banks | | 1760.77 | A | A | A | A |
| Sales of Certain Farm Animal Bedding & Hay | | 1760.78 | A | A | A | A |
| Electricity Used for Net Billing | | 1760.80 | A | A | A | A |
| Animal Waste Storage Facility | | 1760.81 | A | A | A | A |
| Sales of Property Delivered Outside this State | | 1760.82 | F | F | F | F |
| Sales of Certain Printed Materials | | 1760.83 | C | C | C | C |
| Sales to Centers for Innovation | | 1760.84 | A | A | A | A |
| Certain Sales by an Auxiliary Organization of the American Legion | | 1760.85 | B | B | B | B |
| Pine Tree Development Zone Businesses; Reimbursement of Certain Taxes | | 2016 | C | C | C | C |
| Sales of Tangible Personal Property to Qualified Development Zone Bus. | | 1760.87 | C | C | C | C |
| Sales of Certain Aircraft | | 1760.88 | $827,450 | $852,274 | $877,842 | $904,177 |
| Sale, Use or Lease of Aircraft and Sales of Repair and Replacement Parts | | 1760.88-A | $577,980 | $577,980 | $595,319 | $617,942 |
| Sales of Tangible Personal Property to Qualified Wind Power Generators | | 1760.89 | A | A | A | A |
| Sales of Certain Qualified Snowmobile Trail Grooming Equipment | | 1760.90 | $74,343 | $76,574 | $78,871 | $81,236 |
| Certain Sales of Electrical Energy | | 1760.91 | C | C | C | C |
| Certain Vehicle Rentals | | 1760.92 | A | A | A | A |
| Plastic Bags Sold to Redemption Centers | | 1760.93 | $225,055 | $27,301 | $28,529 | $29,813 |
| Trade-In Credits | | 1765 | $23,098,410 | $24,253,331 | $25,465,997 | $26,739,298 |
| Returned Merchandise Donated to Charity | | 1863 | B | B | B | B |
| Merchandise Donated from a Retailer's Inventory to Exempt Organizations | | 1864 | B | B | B | B |
| Refund of Sales Tax on Goods Removed from the State | | 2012 | A | A | A | A |
| Refund of Sales Tax on Certain Depreciable Machinery and Equipment | | 2013 | $2,600,992 | $2,681,682 | $2,764,507 | $2,849,532 |
| Fish Passage Facilities | | 2014 | A | A | A | A |
| Reimbursement of Tax to Certain Qualified Wind Power Generators | | 2017 | A | A | A | A |
| Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers | | 2020 | $0 | $50,540 | $76,000 | $79,800 |
| Barber Shop, Beauty Pallor and Health Club Services | | 1752.11 | $5,719,000 | $5,861,500 | $6,004,000 | $6,146,500 |
| Cleaning, Storage and Repair of Clothing and Shoes | | 1752.11 | $2,527,000 | $2,603,000 | $2,688,500 | $2,774,000 |
| Business and Legal Services Purchased by Consumers | | 1752.11 | $19,484,500 | $20,178,000 | $20,919,000 | $21,679,000 |

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| --- | --- | --- | --- | --- | --- |
| Amusement & Recreational Services | 1752.11 | $22,154,000 | $22,961,500 | $23,845,000 | $24,757,000 |
| Health Services | 1752.11 | $306,441,500 | $319,789,000 | $334,552,000 | $349,904,000 |
| Educational Services | 1752.11 | $47,718,500 | $50,853,500 | $54,435,000 | $58,254,000 |
| Social, Religious, Welfare, Membership and Other Organization Services | 1752.11 | $75,610,500 | $78,954,500 | $82,650,000 | $86,478,500 |
| Finance, Insurance & Real Estate Services | 1752.11 | $304,000,000 | $312,892,000 | $324,406,000 | $337,022,000 |
| Professional, Scientific, and Technical Services | 1752.11 | $101,897,000 | $104,215,000 | $108,746,500 | $114,541,500 |
| Administrative and Support Services | 1752.11 | $63,545,500 | $65,436,000 | $68,656,500 | $72,456,500 |
| Information Services | 1752.11 | $22,781,000 | $23,436,500 | $24,348,500 | $25,412,500 |
| Transportation and Warehousing Services | 1752.11 | $49,058,000 | $50,644,500 | $52,687,000 | $54,872,000 |
| Construction Services | 1752.11 | $100,244,000 | $100,510,000 | $101,251,000 | $102,125,000 |
| Management of Companies and Enterprises Services | 1752.11 | $46,958,500 | $48,184,000 | $49,846,500 | $51,594,500 |
| Casual Sales | 1752.11 | D | D | D | D |
| Sales by Executors | 1752.11 | A | A | A | A |
| Repair, Maintenance and Other Labor Service Fees | 1752.14 | $41,781,000 | $42,826,000 | $44,165,500 | $45,657,000 |
| **Highway Fund Sales & Use Tax Expenditures**  Motor Vehicle Fuel | 1760.8A | $128,933,544 | $121,893,611 | $123,514,731 | $125,160,584 |

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| **General Fund Service Provider Tax Expenditures** |  | | | | | | |
| Basic Cable & Satellite Television Service | 2551.2 | | | $3,980,500 | $4,123,000 | $4,284,500 | $4,455,500 |
| Sales to the State & Political Subdivisions | 2557.2 | | | D | D | D | D |
| Sales to Hospitals, Research Centers, Churches and Schools | 2557.3 | | | C | C | C | C |
| Sales to Certain Nonprofit Residential Child Care Institutions | 2557.4 | | | A | A | A | A |
| Sales to Ambulance Services & Fire Departments | 2557.5 | | | A | A | A | A |
| Sales to Comm. Mental Health, Substance Abuse & Mental R | etardation Facilities2557.6 | | | A | A | A | A |
| Sales to Regional Planning Agencies | | 2557.7 | | A | A | A | A |
| Sales to Historical Societies & Museums | | 2557.8 | | A | A | A | A |
| Sales to Day Care Centers & Nursery Schools | | 2557.9 | | A | A | A | A |
| Sales to Church Affiliated Residential Homes | | 2557.10 | | A | A | A | A |
| Sales to Organ. that Provide Residential Facilities for Med. Patients | | 2557.11 | | A | A | A | A |
| Sales to Emergency Shelters & Feeding Organizations | | 2557.12 | | A | A | A | A |
| Sales to Comm. Action Agencies; Child Abuse Councils; Child Adv | | ocacy Orgs.2557.13 | | B | B | B | B |
| Sales to any Nonprofit Free Libraries | | 2557.14 | | A | A | A | A |
| Sales to Veterans Memorial Cemetery Associations | | 2557.15 | | A | A | A | A |
| Sales to Nonprofit Rescue Operations | | 2557.16 | | A | A | A | A |
| Sales to Hospice Organizations | | 2557.17 | | A | A | A | A |
| Sales to Nonprofit Youth & Scouting Organizations | | 2557.18 | | B | B | B | B |
| Sales to Certain Incorporated. Nonprofit Educational Orgs. | | 2557.19 | | A | A | A | A |
| Sales to Certain Charitable Suppliers of Medical Equipment | | 2557.20 | | A | A | A | A |
| Sales to Orgs that Fulfill the Wishes of Children with Life-Threaten | | ing Diseases2557.21 | | A | A | A | A |
| Sales to Providers of Certain Support Systems for Single-Parent Families | | | 2557.22 | A | A | A | A |
| Sales to Nonprofit Home Construction Organizations | | | 2557.23 | A | A | A | A |
| Sales to Orgs that Create & Maintain a Registry of Vietnam Veterans | | | 2557.24 | A | A | A | A |
| Sales to Orgs that Provide Certain Services for Hearing-Impaired Persons | | | 2557.25 | A | A | A | A |
| Sales to State-Chartered Credit Unions | | | 2557.26 | A | A | A | A |
| Sales to Nonprofit Housing Development Organizations | | | 2557.27 | A | A | A | A |
| Sales to Eye Banks | | | 2557.28 | A | A | A | A |
| Sales to Centers for Innovation | | | 2557.29 | A | A | A | A |
| Construction contracts with exempt organizations | | | 2557.31 | C | C | C | C |
| Certain Telecommunications Services | | | 2557.33,34 | $9,728,000 | $9,946,500 | $10,279,000 | $10,678,000 |

A represents an estimated spread of $0 - $49,999

B represents an estimated spread of $50,000 - $249,999

C represents an estimated spread of $250,000 - $999,999

D represents an estimated spread of $1,000,000 – $2,999,999

E represents an estimated spread of $3,000,000 - $5,999,999

F represents an estimated spread of $6,000,000 or more

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| **Highway Fund Gasoline & Special Fuel Tax Expenditures** |  | | | | |
| State and Local Government Exemption from the Gasoline Tax | 2903 | $1,815,581 | $1,861,296 | $1,908,462 | $1,957,126 |
| Gasoline Exported from the State | 2903 | $71,173,883 | $71,885,622 | $72,604,478 | $73,330,523 |
| Refund of the Gasoline Tax for Off-Highway Use and for Certain Bus Cos. | 2908 | $338,668 | $958,705 | $960,000 | $960,000 |
| State & Local Government Exemption from the Special Fuel Tax | 3204-A | $2,248,684 | $2,271,171 | $2,293,883 | $2,316,821 |
| Distillate Fuel Exported from the State | 3204-A | $17,462,708 | $17,637,335 | $17,813,708 | $17,991,845 |
| Refund of the Special Fuel Tax for Off-Highway Use and for Certain Bus Cos. | 3218 | $4,506,342 | $4,500,000 | $4,500,000 | $4,500,000 |
| **State Transit, Aviation and Rail Fund Aeronautical Fuel Tax Expenditures**  Excise Tax Exemption on Jet or Turbo Jet Fuel - International Flights | | 2903 | $354,237 | $357,779 | $361,357 | $364,971 |
| Refund of Excise Tax on Fuel Used in Piston Aircraft | | 2910 | $21,643 | $22,401 | $23,185 | $23,996 |
| **General Fund Cigarette Tax & Real Estate Transfer Tax Expenditures** | |  |  |  |  |  |
| Cigarette Stamp Tax Deduction for Licensed Distributors | 4366A.2 | | $1,497,502 | $1,481,297 | $1,451,430 | $1,422,163 |
| Exemptions of the Real Estate Transfer Tax | 4641C | | C | C | C | C |

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| **H.O.M.E. Fund Excise Tax Expenditure** |  | | | | |
| Exemptions of the Real Estate Transfer Tax | 4641C | C | C | C | C |

A represents an estimated spread of $0 - $49,999

B represents an estimated spread of $50,000 - $249,999

C represents an estimated spread of $250,000 - $999,999

D represents an estimated spread of $1,000,000 – $2,999,999

E represents an estimated spread of $3,000,000 - $5,999,999

F represents an estimated spread of $6,000,000 or more