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Maine Department of Administrative and Financial Services
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DAFS Issues September Revenue Report Showing State Revenues Up
Revenues likely will falter absent additional federal support

AUGUSTA, Maine (October 20, 2020) – State revenues to the General Fund topped expectations by approximately \$45.8 million in September and by \$68.1 million compared to the same three-month period last fiscal year, according to the monthly revenue report released today by the Maine Department of Administrative and Financial Services (DAFS).

“This stronger than expected revenue, which beat forecasts revised in July amid COVID-19 and also bested last year’s performance, is on par with trends in other states and is likely attributed to actions in Congress to provide: a) Coronavirus Relief Funds to State and local governments to keep economies on track, b) individual stimulus checks to households amid COVID-19, and c) \$600 per week enhanced unemployment insurance benefits, all of which, unfortunately, have or will expire well ahead of any clear victory against the virus,” **said Kirsten Figueroa**, DAFS Commissioner. “Looking to the next budget cycle, amid the continued economic impacts of the global pandemic, the need for action from Congress to support states’ most crucial services cannot be over-stated.”

Much of the strong revenue performance can be attributed to sales and use tax receipts, which was over budget for September by \$13 million and for the fiscal year by \$22.8 million. Auto and building supplies sales both continue to perform at high levels, increasing at double digits compared to the previous year. Remote sales, excluding marketplace facilitators, were up close to 30 percent for the month, at least somewhat mitigating 30 percent and 40 percent declines in restaurant and lodging sales relative to the previous year, likely caused by the downturn in travel amid COVID-19.

“Other states are reporting similar or stronger August sales, but, nationwide, everyone remains concerned that the end of the \$600 enhanced unemployment benefits and the lack of additional stimulus from the federal government may begin to constrain consumer spending during the final quarter of the fiscal year,” **said Figueroa**. “We will continue to closely monitor these numbers.”

Individual income tax receipts were also robust in September, besting expectations by \$30 million for the month and by \$47 million fiscal year-to-date, though estimated tax payments for the 2020 tax year have seen a double-digit decline.

Corporate income tax was under budget for the month by \$1.5 million but over budget for the fiscal year by \$4.5 million and, again, estimated tax payments are down 13 percent fiscal year-to-date.

The full report is [attached](#).

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