

Updated Tax Burden Analysis for the LD1 Report

Prepared by Maine Revenue Services
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The tax burden at the local level is forecasted to increase in 2008 because of falling incomes and property taxes increasing by over 4%. The state level burden decreases because of flat and/or declining receipts from consumption taxes (sales, cigarette, motor fuels, etc.). Overall we estimate that the state and local tax burden will fall in 2008, but it is certainly the case that the recession is the chief reason. The elasticity of the tax system causes state level taxes to fall by more than incomes.

