

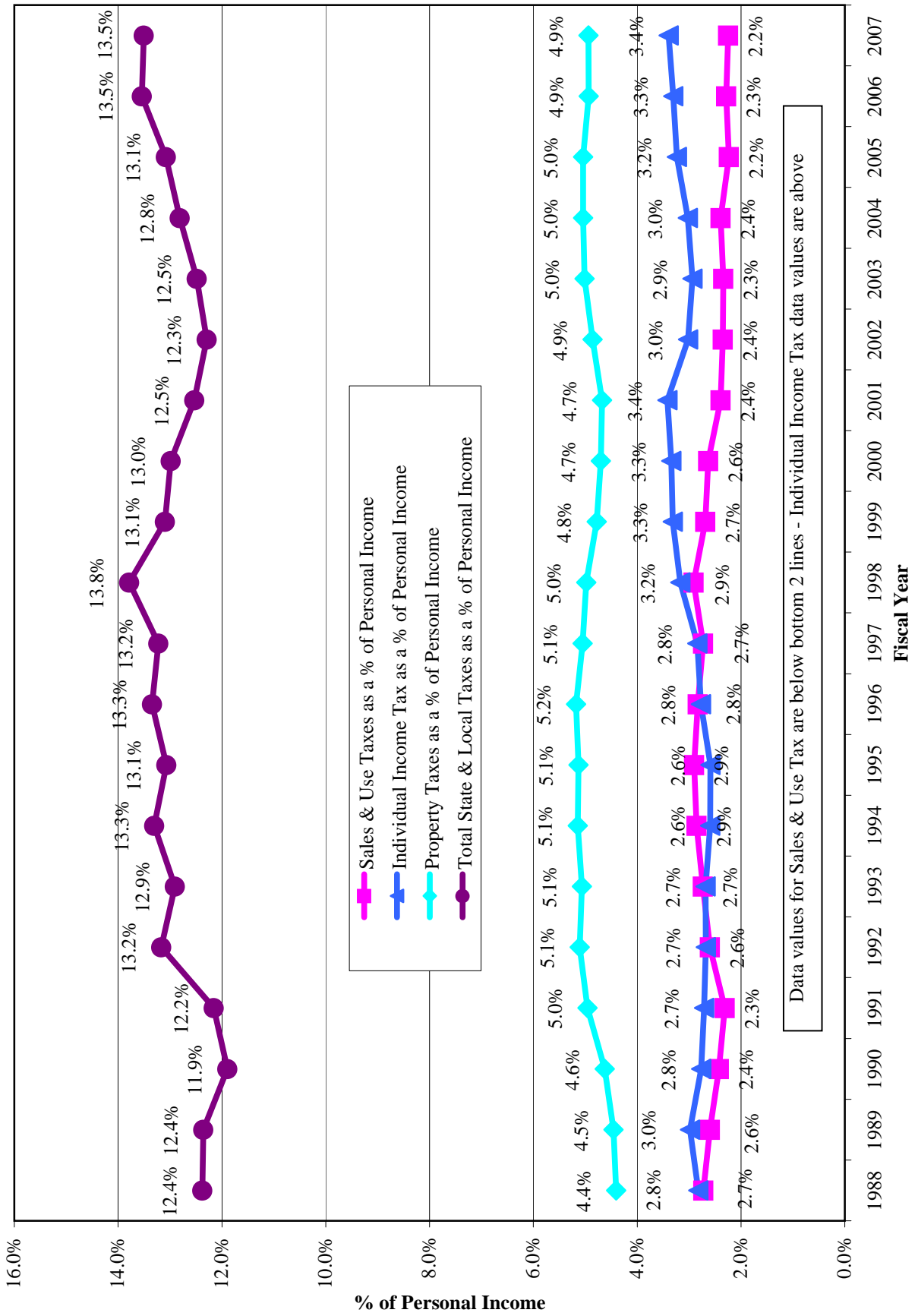
SECTION VI – STATE AND LOCAL TAX BURDENS

This section provides a historical look at Maine’s state and local tax burdens. For the purposes of the compendium, tax burden is portrayed by two relatively simple measures: taxes as a percent of personal income and taxes per capita. The “taxes” included in this analysis are all state and local taxes, which includes most license fees and assessments. This definition of “taxes” mirrors that used by the United States Department of Commerce, Bureau of Census. The analysis breaks out the major broad based taxes (the income taxes, the sales and use taxes and local property taxes).

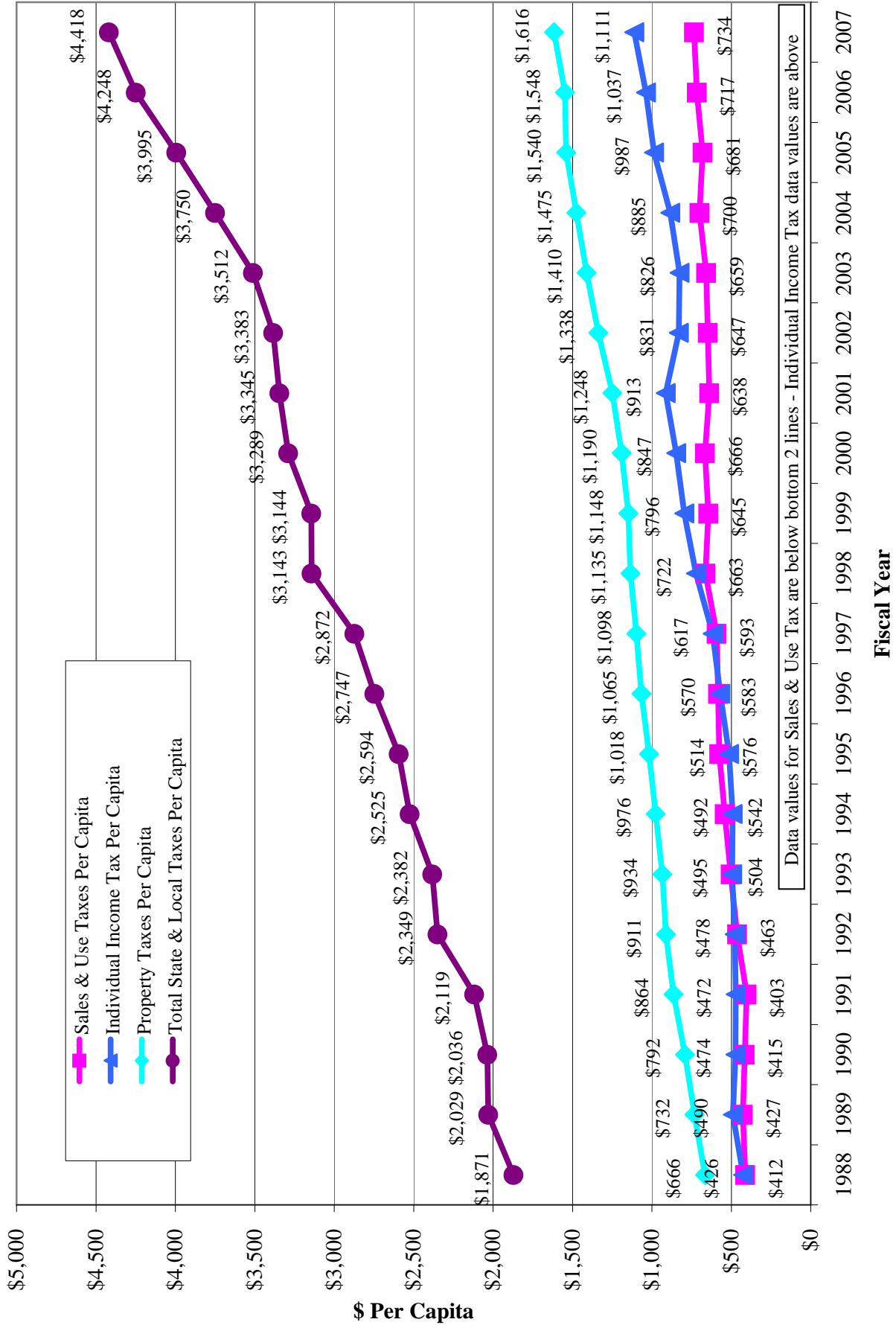
These taxes are then divided by Maine’s personal income and population to present taxes as a percentage of personal income and taxes per capita amounts. Personal income and population data are from the United States Department of Commerce, Bureau of Economic Analysis and Bureau of Census and Maine’s State Planning Office. This year’s report also provides an inflation adjusted analysis of per capita income to compare the “real” or inflation adjusted growth of state and local taxes to population.

As mentioned above, this section represents relatively simple measures of tax burden that are often used to compare tax burdens for all states. The Research Division of Maine Revenue Services within the Department of Administrative and Financial Services presents a much more comprehensive analysis of Maine’s tax burden in its report, *Maine Tax Incidence Study: A Distributional Analysis of Maine’s State and Local Taxes*. The report is required to be updated biennially by M.R.S.A. 36 §200.

Graph VI-1 State and Local Taxes - % of Personal Income



Graph VI-2 State and Local Taxes Per Capita



Graph VI-3 State and Local Taxes Per Capita - Inflation Adjusted

