



# **Revenue Forecasting Committee** **April 2012 Special Forecast**

## **Background Information** **and Materials**

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STATE OF MAINE  
**DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES**  
Bureau of the Budget  
State House Station #58  
Augusta, Maine 04333

**DATE:** April 5, 2012

**TO:** Jerome Gerard, State Tax Assessor  
Maine Revenue Services, Department of Administrative and Financial Services

**FROM:** Dawna Lopatosky, State Budget Officer  
Department of Administrative and Financial Services

**SUBJECT:** Request for a Meeting of the Revenue Forecasting Committee

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Pursuant to the authority granted to me in Title 5, §1710-G, I am writing to ask you in your capacity as Chair of the Revenue Forecasting Committee to convene a special meeting for the purpose of providing committee members with the opportunity to revisit the March 1, 2012 forecast as a result of new information that was brought to my attention this week. It is my understanding that a review of the revenue clearing account that is managed by Maine Revenue Services has resulted in the identification of additional revenue that could be recognized in fiscal year 2011-12 and that projections for fiscal year 2012-13 and beyond could be impacted as well.

I respectfully request that you schedule the meeting to occur after the April tax filing deadline and after building in any additional time that you feel is needed for Maine Revenue Services staff to analyze the data and revise previous estimates for the major tax lines. I am hopeful that the meeting can be scheduled for some time during the week of April 30<sup>th</sup>.

Please contact me if you would like to discuss this matter before scheduling the meeting.

cc: H. Sawin Millett Jr., Commissioner Department of Administrative and Financial Services

**Summary of April 2012 Special Forecast's Revenue Revisions  
April 2012 Special Forecast - Final Revisions**

**General Fund Summary**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$2,755,682,500	\$2,944,956,756	\$2,953,263,386	\$3,040,043,977	\$2,959,178,256	\$3,079,105,040
Annual % Growth	-2.0%	6.9%	0.3%	2.9%	-2.7%	4.1%
Net Increase (Decrease)			\$42,185,815	\$6,707,675	\$25,800,809	\$26,556,989
Revised Forecast	\$2,755,682,500	\$2,944,956,756	\$2,995,449,201	\$3,046,751,652	\$2,984,979,065	\$3,105,662,029
Annual % Growth	-2.0%	6.9%	1.7%	1.7%	-2.0%	4.0%

**Changes by Biennium  
2012-2013    2014-2015**

\$48,893,489    \$52,357,798

**Highway Fund Summary**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$311,190,374	\$311,351,155	\$318,193,325	\$319,901,341	\$322,982,929	\$325,177,051
Annual % Growth	-4.0%	0.1%	2.2%	0.5%	1.0%	0.7%
Net Increase (Decrease)			(\$3,221,798)	(\$3,221,798)	(\$3,221,798)	(\$3,221,798)
Revised Forecast	\$311,190,374	\$311,351,155	\$314,971,527	\$316,679,543	\$319,761,131	\$321,955,253
Annual % Growth	-4.0%	0.1%	1.2%	0.5%	1.0%	0.7%

(\$6,443,596)    (\$6,443,596)

**Fund for a Healthy Maine Summary**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$57,560,142	\$54,386,707	\$54,527,618	\$51,978,341	\$54,170,115	\$53,755,459
Annual % Growth	-15.9%	-5.5%	0.3%	-4.7%	4.2%	-0.8%
Net Increase (Decrease)			\$984,726	\$0	\$0	\$0
Revised Forecast	\$57,560,142	\$54,386,707	\$55,512,344	\$51,978,341	\$54,170,115	\$53,755,459
Annual % Growth	-15.9%	-5.5%	2.1%	-6.4%	4.2%	-0.8%

\$984,726    \$0

**Medicaid/MaineCare Dedicated Revenue Taxes Summary**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$140,012,817	\$148,021,777	\$151,450,250	\$154,373,049	\$154,373,049	\$154,373,049
Annual % Growth	1.4%	5.7%	2.3%	1.9%	0.0%	0.0%
Net Increase (Decrease)			\$0	\$0	\$0	\$0
Revised Forecast	\$140,012,817	\$148,021,777	\$151,450,250	\$154,373,049	\$154,373,049	\$154,373,049
Annual % Growth	1.4%	5.7%	2.3%	1.9%	0.0%	0.0%

\$0    \$0

**General Fund Summary**  
**April 2012 Special Forecast - Final Revisions**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$2,755,682,500	\$2,944,956,756	\$2,953,263,386	\$3,040,043,977	\$2,959,178,256	\$3,079,105,040
Annual % Growth	-2.0%	6.9%	0.3%	2.9%	-2.7%	4.1%
Net Increase (Decrease)			\$42,185,815	\$6,707,675	\$25,800,809	\$26,556,989
Revised Forecast	\$2,755,682,500	\$2,944,956,756	\$2,995,449,201	\$3,046,751,652	\$2,984,979,065	\$3,105,662,029
Annual % Growth	-2.0%	6.9%	1.7%	1.7%	-2.0%	4.0%

**Summary of Revenue Revisions by Major Revenue Category**

Sales and Use Tax		\$14,548,122	\$15,086,403	\$15,750,204	\$16,458,963
Service Provider Tax		(\$1,384,394)	(\$348,995)	(\$367,492)	(\$380,721)
Individual Income Tax		\$0	\$0	\$0	\$0
Corporate Income Tax		\$21,849,229	(\$12,057,304)	\$5,853,080	\$6,072,483
Cigarette and Tobacco Tax		\$0	\$0	\$0	\$0
Insurance Companies Tax		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Estate Tax		\$0	\$0	\$0	\$0
Other Taxes and Fees		\$285,976	\$1,217,300	(\$3,106)	(\$3,106)
Fines, Forfeits and Penalties		\$730,000	\$0	\$0	\$0
Income from Investments		\$0	\$0	\$0	\$0
Transfer from Lottery Commission		\$0	\$0	\$0	\$0
Transfer to Tax Relief Programs		(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
Transfer to Municipal Rev. Sharing		(\$1,812,596)	(\$399,097)	(\$958,382)	(\$1,117,135)
Other Revenues		\$5,319,478	\$559,368	\$2,876,505	\$2,876,505
<b>Total Revisions - Increase (Decrease)</b>		<b>\$42,185,815</b>	<b>\$6,707,675</b>	<b>\$25,800,809</b>	<b>\$26,556,989</b>

<b>Other Taxes and Fees Detail:</b>					
- Milk Handling Fee		\$289,082	\$1,220,406	\$0	\$0
- Other Miscellaneous Taxes and Fees		(\$3,106)	(\$3,106)	(\$3,106)	(\$3,106)
<b>Other Revenue Detail:</b>					
- Unclaimed Property Transfer		\$4,651,580	\$3,651,580	\$3,726,580	\$3,726,580
- Transfer to Maine Milk Pool		(\$215,102)	(\$3,092,212)	(\$850,075)	(\$850,075)
- Other Miscellaneous Revenue		\$883,000	\$0	\$0	\$0
<b>Tax Relief Transfers Detail:</b>					
- BETR - Business Equipment Tax Reimb.		(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
<b>Total Inland Fisheries and Wildlife (All Sources):</b>					
- Inland Fisheries and Wildlife Revenue		(\$3,106)	(\$3,106)	(\$3,106)	(\$3,106)

**Notes on General Fund Revisions:**

**Sales and Use Tax**

At the end of April we estimate Sales & Use Tax will be over budget year-to-date by roughly \$14.5 million. Through the first 10 months of the fiscal year sales tax receipts are up 6.5% over the same period last fiscal year. The rate of growth has accelerated in recent months which we are assuming is associated with the unusually warm weather we have been experiencing. If some of the recent monthly overages are the result of the weather, then we recommend sticking with the current forecast for May and June which assumes year-over-year growth of a little over 3% growth. We applied the existing out year growth rates to the \$14.5 million to get the changes for FY13-FY15. With this approach we remain consistent with the underlying economic forecast from the CEFC.

**Service Provider Tax**

The on-going recommended change is a downward adjustment of approximately \$350,000 which reflects actual experience on this line through March. In FY12 we have an additional reduction of \$1 million to account for a one-time refund that was approved earlier this week. Similar to sales & use tax, we applied the existing forecast's growth rates the base FY12 change to arrive at the recommended changes for FY13-FY15.

### **Individual Income Tax**

Individual Income Tax ended March \$3 million over budget for the fiscal year and it is expected to end April slightly under budget. April final payments will be under budget by about \$5 million, but 1040 refunds are running below forecast by approximately \$8 million. Netting the two implies that our forecast for 2011 liability was very close. Without a new economic forecast or data from the IRS, the RFC is not recommending any changes to this category at this time.

### **Corporate Income Tax**

Corporate continues to run well above budget; estimated at \$20 million over through April. As a result, the RFC is revising this category upward by just under \$22 million in FY12. The RFC is assuming that a large portion (approximately \$16 million in FY12) of this overage is from how the revenue reduction from the Maine Capital Investment Credit and conformity with Section 179 expensing enacted in the biennial budget was allocated. At the time of the original estimate of these two budget proposals it was assumed that a significant portion of the revenue impact would occur in FY12 (both were retroactive to January 1, 2011). Therefore the RFC has shifted approximately \$16 million of revenue reduction from these two investment incentives from FY12 to FY13. The concern is that large corporations who will file their 2011 tax return in October will finally take these benefits into account and will be seeking relatively large refunds of payments made in FY12. Taking this into account the RFC is assuming there is a base \$6 million upward adjustment in FY12 that is ongoing and that is reflected in the adjustments for FY13 through FY15.

### **Cigarette and Tobacco Products Tax**

No adjustments recommended in this forecast.

### **Insurance Companies Tax**

This line has been over budget for most of the fiscal year and was approximately \$5 million over budget through March. We are only recommending a \$3 million adjustment for all the years in the budget window because most the revenue for this tax comes in during April, May and June. The due dates of the first two estimated payments for 2012 (70% of estimated annual liability) are April 30th and June 25th. Having the due date fall on the last day of the month creates difficulty in accurately forecasting monthly receipts in April and May, and a problem in forecasting how much will ultimately fall in FY12 rather than the first few days of FY13 as a result of the June 25th due date. We believe we are being conservative in recommending only a \$3 million change.

### **Estate Tax**

No adjustments are being recommended in this forecast.

### **Fines, Forfeits and Penalties**

The one-time additional increase in revenue estimates in this forecast reflect the recognition of revenue representing Maine's share of a settlement with Bankers Life and Casualty Company of Illinois. The amount that was deposited \$770,718. Only \$730,000 net increase is recommended above the current forecast as a portion is being absorbed to cover current estimates of fines projected to be collected by the Office of Securities.

With March 2012 downward adjustment Judicial Department fine revenue is tracking more closely to budget.

### **Income from Investments**

No adjustments are being recommended in this forecast.

### **Transfer from Lottery Commission**

No adjustments are being recommended in this forecast.

### **Transfer to Municipal Rev. Sharing**

The changes in this forecast are driven by the changes in income and sales taxes. To account for the one-month lag in the transfers of 5% of previous months income and sales taxes, preliminary calculations were based on the most recent monthly distribution, but need to be updated for changes in this forecast. The new monthly distribution of the major tax lines as adjusted by the forecast are reflected in the final calculated amounts for these transfers.

### **Other Taxes and Fees Detail:**

- Milk Handling Fee

Updated for milk price forecast revised through December 2012.

**Other Revenue Detail:**

- Unclaimed Property Transfers

Updated projections for FY12 indicate the transfer amount at the end of the year will be almost \$5 million above previous projections according to the Office of the State Treasurer, therefore the forecast is increased to \$7,000,000 in FY12. Future years are increased to \$6.0 million annually based on recent experience, excluding the unusual performance of FY12.

- Transfer to Maine Milk Pool

Updated for milk price forecast revised through December 2012. Need to explain why FY14 and FY15 changed.

- Other Miscellaneous Revenue

Better updated estimates reduced the original estimate of the revenue from the recent national mortgage foreclosure settlement by \$300K. There is still a risk on the timing of the payment.

An additional separate multistate settlement action will bring in \$1,183,000 in addition to the original settlement. See letter from Attorney General Schneider.

**Tax Relief Transfers Detail:**

- BETR - Business Equipment Tax Reimb.

Maine Revenue Services is almost finished with issuing BETR refunds for FY12. BETR appears that it will be over budget for this program by approximately \$350,000. Each year of the forecast is revised downward by the FY12 over spending.

## Highway Fund Summary April 2012 Special Forecast - Final Revisions

	FY10 Actual	FY11 Actual	FY12	FY13	FY14	FY15
Current Forecast	\$311,190,374	\$311,351,155	\$318,193,325	\$319,901,341	\$322,982,929	\$325,177,051
Annual % Growth	-4.0%	0.1%	2.2%	0.5%	1.0%	0.7%
Net Increase (Decrease)			(\$3,221,798)	(\$3,221,798)	(\$3,221,798)	(\$3,221,798)
Revised Forecast	\$311,190,374	\$311,351,155	\$314,971,527	\$316,679,543	\$319,761,131	\$321,955,253
Annual % Growth	-4.0%	0.1%	1.2%	0.5%	1.0%	0.7%
<b>Summary of Revenue Revisions by Major Revenue Category</b>						
<b>Fuel Taxes:</b>						
- Gasoline Tax			(\$2,300,000)	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)
- Special Fuel and Road Use Taxes			(\$700,000)	(\$700,000)	(\$700,000)	(\$700,000)
- Transcap Transfers - Fuel Taxes			\$220,686	\$220,686	\$220,686	\$220,686
- Other Fund Gasoline Tax Distributions			\$57,516	\$57,516	\$57,516	\$57,516
Subtotal - Fuel Taxes			(\$2,721,798)	(\$2,721,798)	(\$2,721,798)	(\$2,721,798)
<b>Motor Vehicle Registration and Fees:</b>						
- Motor Vehicle Registration Fees			\$0	\$0	\$0	\$0
- License Plate Fees			\$0	\$0	\$0	\$0
- Long-term Trailer Registration Fees			(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
- Title Fees			\$0	\$0	\$0	\$0
- Motor Vehicle Operator License Fees			\$0	\$0	\$0	\$0
- Transcap Transfers - Motor Vehicle Fees			\$0	\$0	\$0	\$0
Subtotal - Motor Vehicle Reg. & Fees			(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Motor Vehicle Inspection Fees			\$0	\$0	\$0	\$0
Other Highway Fund Taxes and Fees			\$0	\$0	\$0	\$0
Fines, Forfeits and Penalties			\$0	\$0	\$0	\$0
Interest Earnings			\$0	\$0	\$0	\$0
Other Highway Fund Revenue			\$0	\$0	\$0	\$0
<b>Totals</b>			<b>(\$3,221,798)</b>	<b>(\$3,221,798)</b>	<b>(\$3,221,798)</b>	<b>(\$3,221,798)</b>

### Notes on Highway Fund Revisions:

#### Fuel Taxes

Given gasoline and diesel prices have been higher than projected in the December and March forecasts and excise tax receipts are \$1.7 million below budget through March we are recommending a downward adjustment of \$3 million a year (\$2.7 million for the HWF).

#### Motor Vehicle Registration and Fees

**Long-term Trailer Registration Fees** - The March 2012 Revenue Forecast adjusted this category upward by \$1,000,000 annually. The growth rate of this category in the first part of the year through January that was the motivation for the upward revision has slowed in recent months. This forecast reduces the increase assumed in the March Forecast by half, resulting in a downward revision of \$500,000 each year beginning in FY12.

**Fund for a Healthy Maine Summary**  
**April 2012 Special Forecast - Final Revisions**

	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Current Forecast	\$57,560,142	\$54,386,707	\$54,527,618	\$51,978,341	\$54,170,115	\$53,755,459
Annual % Growth	-15.9%	-5.5%	0.3%	-4.7%	4.2%	-0.8%
Net Increase (Decrease)			\$984,726	\$0	\$0	\$0
Revised Forecast	\$57,560,142	\$54,386,707	\$55,512,344	\$51,978,341	\$54,170,115	\$53,755,459
Annual % Growth	-15.9%	-5.5%	2.1%	-6.4%	4.2%	-0.8%
<b>Summary of Revenue Revisions by Major Revenue Category</b>						
Tobacco Settlement Payments:						
- Base Payments			\$827,277	\$0	\$0	\$0
- Strategic Contribution Payments			\$157,449	\$0	\$0	\$0
Racino Revenue			\$0	\$0	\$0	\$0
Income from Investments			\$0	\$0	\$0	\$0
Other Income			\$0	\$0	\$0	\$0
Total Revisions - Increase (Decrease)			<b>\$984,726</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Notes:**

**Tobacco Settlement Payments**

April 2012 payments were higher than anticipated. The positive variance created by these payments in recongized on a one-time basis in FY12, increasing budgeted revenue in FY12 by \$984,726.

**Racino Revenue**

No adjustments are proposed at this time. Budgeted revenue in FY13 has been reduced as a result of a recent legislative change.

**Income from Investments**

No adjustments are recommended at this time.

**Other Income**

No adjustments are recommended at this time.

**DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES  
78 STATE HOUSE STATION  
AUGUSTA, ME 04333-0078**

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**M E M O R A N D U M**

**TO:** Governor Paul R. LePage  
Members, Legislative Council  
Members, Joint Standing Committee on Appropriations and Financial Affairs  
Members, Joint Standing Committee on Taxation

**FROM:** H. Sawin Millett Jr., Commissioner  
Department of Administrative & Financial Services

**DATE:** April 17, 2012

**SUBJ:** Revenues – March

\*\*\*\*\*

March General Fund revenues were over budget by \$27.3 million or 13.7%. For the first three-quarters of the fiscal year General Fund revenues are \$35.0 million over budget (+1.9%). Compared to the same nine month period last fiscal year, General Fund revenues are up \$34.3 million (+1.8%). Note the Controller's report for March has been updated for the latest revenue forecast by the Revenue Forecasting Committee (RFC) and includes \$13.7 million of January receipts that were not cleared from holding accounts in a timely fashion.

The revelation of an accounting error in January revenue provides a much clearer picture of consumer activity during the holiday shopping season and the first two months of 2012. The taxable sales report for the November-December two month period shows year-over-year growth of 5.7% in consumer sales, which is now consistent with actual tax receipts for that same period and national data. January and February taxable sales indicate that Maine consumers continued to spend post-holiday season. January sales were up 4.9% for consumers and February consumer sales increased by 11.1%; one of the best months since the start of the recession. With the exception of lodging sales, February taxable sales were solid across all business sectors. It's likely that a portion of the February activity was because of the unusually warm weather, but even adjusting for that it appears that household confidence is rising. The only concern going forward is that this increased consumption is being financed through a lower saving rate. Rising energy prices and weak income growth are requiring households to reduce their saving and increase their borrowing to support their increased spending. The shift in sales because of the

warm weather and an early Easter will likely result in consumer spending moderating a bit over the next few months.

### Sales & Use Taxes

Revenue was \$9.1 million over budget for the month and \$11.2 million (+1.7%) over budget fiscal year-to-date. Fiscal year-to-date revenue was \$37.7 million (+6.1%) over fiscal year 2011.

### Taxable Sales

Total taxable sales for the month of February (March revenue) were up 9.0% from February 2011. The annual rate of change was 4.2%. Building supply sales were up 20.1% for the month and 9.0% for the year ending in February. Sales of taxable items in food stores were up 5.9% for the month and 1.8% for the year. General merchandise sales (primarily sales of goods sold in large department and discount stores) were up 9.4% for the month and 0.6% for the year. Sales in other retail stores such as jewelry, drug, sporting goods, book, antique, pet, photo, toy, and craft stores were up 3.7% for the month and 3.7% for the year. Auto/transportation sector sales were up 15.7% for the month and 5.6% for the year. Sales of meals and other prepared foods were up 11.6% for the month and 3.9% for the year. Lodging sales were down 1.6% for the month and up 3.4% for the year. Business operating sales (primarily use tax paid by businesses) were down 4.3% for the month and up 5.3% for the year.

### Service Provider Tax

Revenue was \$163,650 under budget for the month and \$334,929 (-1.0%) under budget fiscal year-to-date.

### Individual Income Tax

Revenue was \$2.9 million over budget for the month and \$2.9 million (+0.3%) over budget fiscal year-to-date. Fiscal year-to-date withholding payments were 2.3% over fiscal year 2011. Estimated payments were up 0.4% and final payments were up 5.6% fiscal year-to-date. Fiscal year-to-date revenue was \$13.6 million (+1.5%) over fiscal year 2011.

### Corporate Income Tax

Revenue was \$13.7 million over budget for the month and \$13.7 million (+9.6%) over budget fiscal year-to-date. Estimated payments were up 3.3% and final payments were up 24.1% fiscal year-to-date. Fiscal year-to-date revenue was \$13.2 million (+9.2%) over fiscal year 2011.

### Cigarette & Tobacco Taxes

Cigarette and tobacco products tax revenue was \$525,314 under budget for the month and \$266,493 (-0.3%) under budget fiscal year-to-date.

### Insurance Companies Taxes

The Insurance Companies Taxes were \$2.5 million over budget for the month and \$4.8 million over budget fiscal year-to-date.

#### Estate Tax

The estate tax was \$2.1 million over budget for the month and \$2.1 million over budget fiscal year-to-date.

#### Transfers for Tax Relief Programs

Refunds for the tax & rent, Business Equipment Tax Reimbursement (BETR) and Business Equipment Tax Exemption (BETE) were over budget in March by \$0.9 million. Fiscal year-to-date the tax relief programs are over budget by \$0.9 million (-0.8%).

#### Municipal Revenue Sharing

Revenue sharing was close to budget for the month and fiscal year.

#### Lottery

Lottery Revenues were over budget in March by \$713,952. Year-to-date this line remains over budget by \$2.2 million.

#### Other Revenues

Other Revenues are under budget for the month by \$0.8 million and are slightly under budget year-to-date

#### Highway Fund

Motor fuel tax receipts were under budget in March by \$0.8 million. The Highway Fund as a whole was \$1.1 million under budget for the month. For the fiscal year motor fuel excise taxes are under budget by \$1.7 million (-1.2%). The Highway Fund is under budget year-to-date by \$0.4 million (-0.2%).

#### National Economy

The latest national economic data implies that the economy grew by at least 2.5% in the first quarter of 2012. While this growth is still relatively low for this stage of an economic recovery, it does reflect a steady growth that appears to be sustainable despite high energy prices. If the European debt crisis remains muted and energy prices don't go much higher, the economy should be strong enough to withstand a more contractionary fiscal policy that is likely to occur after the November elections.

#### Maine Economy

The Revenue Forecasting Committee (RFC) will convene at the end of this month at the request of the State Budget Officer. The RFC will review the revenue adjustments required by the January accounting error and the results of the 2011 tax year filings. With only two months remaining in the fiscal year, the RFC will certainly have a good fix on FY12 revenues and should be able to make some adjustments to the out year forecasts as well. Significant long term changes to the revenue forecast will be tempered until the Consensus Economic Forecasting Commission meets again in late October and provides an updated economic forecast to the RFC.

HSM:mja

#### Attachments

cc: John McGough  
Michael Cianchette  
Grant Pennoyer  
Maureen Dawson  
Marc Cyr  
David Boulter  
Amanda Rector  
Jim Breece  
Jerome Gerard  
Dawna Lopatosky  
Terry Brann

**STATE OF MAINE**

Undedicated Revenues - General Fund  
 For the Ninth Month Ended March 31, 2012  
 For the Fiscal Year Ending June 30, 2012  
 Comparison to Budget

**EXHIBIT I**

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2012
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	
Sales and Use Tax	69,638,684	60,525,831	9,112,853	15.1%	659,475,000	648,274,593	11,200,407	1.7%	958,785,125
Service Provider Tax	3,917,317	4,080,967	(163,650)	(4.0%)	32,630,115	32,965,044	(334,929)	(1.0%)	51,750,707
Individual Income Tax	72,104,697	69,165,278	2,939,419	4.2%	926,869,312	923,929,894	2,939,418	0.3%	1,444,897,209
Corporate Income Tax	33,314,992	19,586,244	13,728,748	70.1%	157,348,698	143,629,270	13,719,428	9.6%	196,761,231
Cigarette and Tobacco Tax	9,322,378	9,847,692	(525,314)	(5.3%)	104,952,747	105,219,240	(266,493)	(0.3%)	142,123,350
Insurance Companies Tax	16,511,078	13,968,219	2,542,859	18.2%	31,915,030	27,067,933	4,847,097	17.9%	76,215,000
Estate Tax	5,301,160	3,225,380	2,075,780	64.4%	24,328,187	22,252,407	2,075,780	9.3%	38,260,185
Fines, Forfeits & Penalties	985,923	2,646,989	(1,661,066)	(62.8%)	18,062,152	18,159,959	(97,807)	(0.5%)	25,024,504
Income from Investments	(29,704)	(17,294)	(12,410)	(71.8%)	161,251	166,300	(5,049)	(3.0%)	106,808
Transfer from Lottery Commission	5,496,990	4,783,038	713,952	14.9%	40,440,838	38,264,302	2,176,536	5.7%	50,700,000
Transfers for Tax Relief Programs	(3,431,809)	(2,522,424)	(909,385)	(36.1%)	(111,711,991)	(110,841,839)	(870,152)	(0.8%)	(114,068,263)
Transfer to Municipal Revenue Sharing	(3,897,132)	(3,801,319)	(95,813)	(2.5%)	(69,027,341)	(68,993,352)	(33,989)	(0.0%)	(95,047,787)
Other Taxes and Fees	13,987,238	13,702,059	285,179	2.1%	86,500,643	87,104,890	(604,247)	(0.7%)	131,792,552
Other Revenues	3,302,872	4,075,830	(772,958)	(19.0%)	16,987,257	16,717,502	269,755	1.6%	45,069,972
<b>Total Collected</b>	<b>226,524,684</b>	<b>199,266,490</b>	<b>27,258,194</b>	<b>13.7%</b>	<b>1,918,931,899</b>	<b>1,883,916,143</b>	<b>35,015,756</b>	<b>1.9%</b>	<b>2,952,370,593</b>

NOTES: (1) Included in the above is \$3,897,132 for the month and \$69,027,341 year to date, that was set aside for Revenue Sharing with cities and towns.

(2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in March 2012.

(3) This report has been prepared from preliminary month end figures and is subject to change.

(4) Included in the actuals above is \$13,717,351 in tax revenue that was received in the month of January and not cleared from holding accounts timely.

**STATE OF MAINE**

Undedicated Revenues - General Fund  
 For the Ninth Month Ended March 31, 2012 and 2011  
 For the Fiscal Years Ending June 30, 2012 and 2011  
 Comparison to Prior Year

EXHIBIT II

	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
Sales and Use Tax	69,638,684	58,917,524	10,721,161	18.2%	659,475,000	621,733,677	37,741,323	6.1%
Service Provider Tax	3,917,317	4,035,682	(118,365)	(2.9%)	32,630,115	36,100,800	(3,470,685)	(9.6%)
Individual Income Tax	72,104,697	58,227,540	13,877,157	23.8%	926,869,312	913,278,257	13,591,055	1.5%
Corporate Income Tax	33,314,992	28,078,833	5,236,159	18.6%	157,348,698	144,138,126	13,210,571	9.2%
Cigarette and Tobacco Tax	9,322,378	11,349,515	(2,027,137)	(17.9%)	104,952,747	107,577,339	(2,624,592)	(2.4%)
Insurance Companies Tax	16,511,078	13,690,373	2,820,704	20.6%	31,915,030	26,213,430	5,701,600	21.8%
Estate Tax	5,301,160	8,915,234	(3,614,074)	(40.5%)	24,328,187	31,472,414	(7,144,227)	(22.7%)
Fines, Forfeits & Penalties	985,923	2,713,073	(1,727,150)	(63.7%)	18,062,152	21,591,086	(3,528,934)	(16.3%)
Income from Investments	(29,704)	15,730	(45,433)	(288.8%)	161,251	198,706	(37,455)	(18.8%)
Transfer from Lottery Commission	5,496,990	4,170,889	1,326,101	31.8%	40,440,838	36,919,341	3,521,497	9.5%
Transfers for Tax Relief Programs	(3,431,809)	(5,137,164)	1,705,355	33.2%	(111,711,991)	(109,682,595)	(2,029,396)	(1.9%)
Transfer to Municipal Revenue Sharing	(3,897,132)	(3,828,991)	(68,141)	(1.8%)	(69,027,341)	(69,380,482)	353,141	0.5%
Other Taxes and Fees	13,987,238	14,895,860	(908,623)	(6.1%)	86,500,643	99,653,123	(13,152,480)	(13.2%)
Other Revenues	3,302,872	7,883,563	(4,580,691)	(58.1%)	16,987,257	24,836,412	(7,849,155)	(31.6%)
<b>Total Collected</b>	<b>226,524,684</b>	<b>203,927,661</b>	<b>22,597,023</b>	<b>11.1%</b>	<b>1,918,931,899</b>	<b>1,884,649,635</b>	<b>34,282,264</b>	<b>1.8%</b>

**STATE OF MAINE**

Undedicated Revenues - General Fund  
 For the Ninth Month Ended March 31, 2012  
 For the Fiscal Year Ending June 30, 2012  
 Comparison to Budget

**EXHIBIT III**

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2012
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	
<b><u>Detail of Other Taxes &amp; Fees</u></b>									
0100s All Others	4,093,875	4,576,194	(482,319)	(10.5%)	21,617,221	22,720,208	(1,102,987)	(4.9%)	27,038,424
0300s Aeronautical Gas Tax	18,613	19,565	(952)	(4.9%)	201,848	202,992	(1,144)	(0.6%)	268,166
0400s Alcohol Excise Tax	1,199,760	1,307,022	(107,262)	(8.2%)	12,908,927	12,935,686	(26,759)	(0.2%)	17,599,642
0700s Corporation Taxes	1,012,697	1,431,225	(418,529)	(29.2%)	3,414,871	3,662,120	(247,250)	(6.8%)	7,847,099
0800s Public Utilities	-	-	-	-	(2,543,388)	(2,646,902)	103,514	3.9%	9,641,734
1000s Banking Taxes	2,543,820	1,904,581	639,239	33.6%	18,767,820	17,667,779	1,100,041	6.2%	23,381,610
1100s Alcoholic Beverages	411,988	379,753	32,235	8.5%	3,329,891	3,166,788	163,103	5.2%	4,665,888
1200s Amusements Tax	-	-	-	-	-	-	-	-	-
1300s Harness Racing Pari-mutuel	819,894	824,950	(5,056)	(0.6%)	6,540,585	6,646,517	(105,932)	(1.6%)	9,999,602
1400s Business Taxes	2,477,437	2,364,622	112,815	4.8%	7,233,134	7,160,118	73,016	1.0%	10,476,776
1500s Motor Vehicle Licenses	365,330	308,618	56,712	18.4%	3,216,075	3,179,337	36,738	1.2%	4,293,865
1700s Inland Fisheries & Wildlife	994,583	548,489	446,094	81.3%	11,482,317	12,084,480	(602,163)	(5.0%)	16,161,752
1900s Other Licenses	49,241	37,040	12,201	32.9%	331,343	325,767	5,576	1.7%	417,994
<b>Total Other Taxes &amp; Fees</b>	<b>13,987,238</b>	<b>13,702,059</b>	<b>285,179</b>	<b>2.1%</b>	<b>86,500,643</b>	<b>87,104,890</b>	<b>(604,247)</b>	<b>(0.7%)</b>	<b>131,792,552</b>
<b><u>Detail of Other Revenues</u></b>									
2200s Federal Revenues	33,343	29,501	3,842	13.0%	1,770,240	1,687,907	82,333	4.9%	1,776,407
2300s County Revenues	-	-	-	-	-	-	-	-	-
2400s Revenues from Cities and Towns	9,432	41,300	(31,868)	(77.2%)	191,406	155,100	36,306	23.4%	261,961
2500s Revenues from Private Sources	123,872	144,432	(20,560)	(14.2%)	1,261,762	1,307,462	(45,700)	(3.5%)	9,758,264
2600s Current Service Charges	2,375,731	1,796,463	579,268	32.2%	19,214,402	18,791,049	423,353	2.3%	32,301,801
2700s Transfers from Other Funds	760,111	2,064,134	(1,304,023)	(63.2%)	(5,548,350)	(5,284,016)	(264,334)	(5.0%)	858,099
2800s Sales of Property & Equipment	383	-	383	-	97,798	60,000	37,798	63.0%	113,440
<b>Total Other Revenues</b>	<b>3,302,872</b>	<b>4,075,830</b>	<b>(772,958)</b>	<b>(19.0%)</b>	<b>16,987,257</b>	<b>16,717,502</b>	<b>269,755</b>	<b>1.6%</b>	<b>45,069,972</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change

**STATE OF MAINE**

Undedicated Revenues - General Fund  
 For the Ninth Month Ended March 31, 2012 and 2011  
 For the Fiscal Years Ending June 30, 2012 and 2011  
 Comparison to Prior Year

EXHIBIT IV

	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
<b><u>Detail of Other Taxes &amp; Fees</u></b>								
0100s All Others	4,093,875	4,555,961	(462,085)	(10.1%)	21,617,221	26,424,091	(4,806,870)	(18.2%)
0300s Aeronautical Gas Tax	18,613	18,772	(159)	(0.8%)	201,848	201,940	(92)	(0.0%)
0400s Alcohol Excise Tax	1,199,760	1,190,160	9,600	0.8%	12,908,927	12,826,164	82,763	0.6%
0700s Corporation Taxes	1,012,697	1,383,443	(370,747)	(26.8%)	3,414,871	3,637,191	(222,321)	(6.1%)
0800s Public Utilities	-	-	-	-	(2,543,388)	(24,852)	(2,518,536)	(10134.1%)
1000s Banking Taxes	2,543,820	2,609,620	(65,800)	(2.5%)	18,767,820	18,481,520	286,300	1.5%
1100s Alcoholic Beverages	411,988	528,008	(116,020)	(22.0%)	3,329,891	4,093,790	(763,899)	(18.7%)
1200s Amusements Tax	-	-	-	-	-	-	-	-
1300s Harness Racing Pari-mutuel	819,894	833,876	(13,982)	(1.7%)	6,540,585	6,867,298	(326,714)	(4.8%)
1400s Business Taxes	2,477,437	1,691,155	786,282	46.5%	7,233,134	8,059,986	(826,852)	(10.3%)
1500s Motor Vehicle Licenses	365,330	358,734	6,596	1.8%	3,216,075	3,528,696	(312,621)	(8.9%)
1700s Inland Fisheries & Wildlife	994,583	480,969	513,614	106.8%	11,482,317	11,907,647	(425,331)	(3.6%)
1900s Other Licenses	49,241	1,245,162	(1,195,921)	(96.0%)	331,343	3,649,653	(3,318,310)	(90.9%)
<b>Total Other Taxes &amp; Fees</b>	<b>13,987,238</b>	<b>14,895,860</b>	<b>(908,623)</b>	<b>(6.1%)</b>	<b>86,500,643</b>	<b>99,653,124</b>	<b>(13,152,481)</b>	<b>(13.2%)</b>
<b><u>Detail of Other Revenues</u></b>								
2200s Federal Revenues	33,343	3,620,295	(3,586,952)	(99.1%)	1,770,240	8,989,770	(7,219,530)	(80.3%)
2300s County Revenues	-	-	-	-	-	-	-	-
2400s Revenues from Cities and Towns	9,432	41,292	(31,860)	(77.2%)	191,406	154,456	36,950	23.9%
2500s Revenues from Private Sources	123,872	122,218	1,654	1.4%	1,261,762	1,166,204	95,558	8.2%
2600s Current Service Charges	2,375,731	2,439,016	(63,285)	(2.6%)	19,214,402	21,379,259	(2,164,858)	(10.1%)
2700s Transfers from Other Funds	760,111	1,660,742	(900,631)	(54.2%)	(5,548,350)	(7,044,259)	1,495,908	21.2%
2800s Sales of Property & Equipment	383	-	383	-	97,798	190,982	(93,184)	(48.8%)
<b>Total Other Revenues</b>	<b>3,302,872</b>	<b>7,883,563</b>	<b>(4,580,691)</b>	<b>(58.1%)</b>	<b>16,987,257</b>	<b>24,836,412</b>	<b>(7,849,155)</b>	<b>(31.6%)</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change

**STATE OF MAINE**

Undedicated Revenues - Highway Fund  
 For the Ninth Month Ended March 31, 2012  
 For the Fiscal Year Ending June 30, 2012  
 Comparison to Budget

EXHIBIT V

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2012
	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	Actual	Budget	Variance Over/(Under)	Percent Over/(Under)	
Fuel Taxes	15,579,560	16,373,202	(793,642)	(4.8%)	145,732,067	147,429,190	(1,697,123)	(1.2%)	220,810,552
Motor Vehicle Registration & Fees	6,678,085	6,986,908	(308,823)	(4.4%)	60,954,622	60,256,814	697,808	1.2%	83,238,186
Motor Vehicle Inspection Fees	188,146	219,200	(31,055)	(14.2%)	2,390,296	2,142,800	247,496	11.6%	2,982,500
Miscellaneous Taxes & Fees	93,899	86,003	7,896	9.2%	936,951	922,358	14,593	1.6%	1,313,165
Fines, Forfeits & Penalties	196,040	79,603	116,437	146.3%	770,819	742,251	28,568	3.8%	993,049
Earnings on Investments	12,518	28,200	(15,682)	(55.6%)	78,620	90,358	(11,738)	(13.0%)	121,761
All Other	427,770	482,366	(54,596)	(11.3%)	7,010,925	6,723,581	287,344	4.3%	8,734,112
<b>Total Collected</b>	<b>23,176,018</b>	<b>24,255,482</b>	<b>(1,079,464)</b>	<b>(4.5%)</b>	<b>217,874,299</b>	<b>218,307,352</b>	<b>(433,053)</b>	<b>(0.2%)</b>	<b>318,193,325</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

**STATE OF MAINE**

Undedicated Revenues - Highway Fund  
 For the Ninth Month Ended March 31, 2012 and 2011  
 For the Fiscal Years Ending June 30, 2012 and 2011  
 Comparison to Prior Year

EXHIBIT VI

	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)	Current Year	Prior Year	Variance Over/(Under)	Percent Over/(Under)
Fuel Taxes	15,579,560	15,597,536	(17,975)	(0.1%)	145,732,067	145,768,005	(35,939)	(0.0%)
Motor Vehicle Registration & Fees	6,678,085	7,144,419	(466,334)	(6.5%)	60,954,622	58,439,358	2,515,265	4.3%
Motor Vehicle Inspection Fees	188,146	154,585	33,561	21.7%	2,390,296	2,208,194	182,102	8.2%
Miscellaneous Taxes & Fees	93,899	82,316	11,583	14.1%	936,951	915,614	21,337	2.3%
Fines, Forfeits & Penalties	196,040	79,722	116,319	145.9%	770,819	893,157	(122,338)	(13.7%)
Earnings on Investments	12,518	7,325	5,193	70.9%	78,620	90,788	(12,168)	(13.4%)
All Other	427,770	302,655	125,115	41.3%	7,010,925	5,908,529	1,102,396	18.7%
<b>Total Collected</b>	<b>23,176,018</b>	<b>23,368,557</b>	<b>(192,539)</b>	<b>(0.8%)</b>	<b>217,874,299</b>	<b>214,223,644</b>	<b>3,650,654</b>	<b>1.7%</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2012 (FY 2012)**  
**March 2012 Revenue Variance Report**

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	March '12 Budget	March '12 Actual	March '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	60,525,831	69,638,684	9,112,853	648,274,593	659,475,000	11,200,407	1.7%	6.1%	958,785,125
Service Provider Tax	4,080,967	3,917,317	(163,650)	32,965,044	32,630,115	(334,929)	-1.0%	-9.6%	51,750,707
Individual Income Tax	69,165,278	72,104,697	2,939,419	923,929,894	926,869,312	2,939,418	0.3%	1.5%	1,444,897,209
Corporate Income Tax	19,586,244	33,314,992	13,728,748	143,629,270	157,348,698	13,719,428	9.6%	9.2%	196,761,231
Cigarette and Tobacco Tax	9,847,692	9,322,378	(525,314)	105,219,240	104,952,747	(266,493)	-0.3%	-2.4%	142,123,350
Insurance Companies Tax	13,968,219	16,511,078	2,542,859	27,067,933	31,915,030	4,847,097	17.9%	21.8%	76,215,000
Estate Tax	3,225,380	5,301,160	2,075,780	22,252,407	24,328,187	2,075,780	9.3%	-22.7%	38,260,185
Other Taxes and Fees *	13,702,059	13,987,238	285,179	87,104,890	86,450,643	(654,247)	-0.8%	-13.2%	131,792,552
Fines, Forfeits and Penalties	2,646,989	985,923	(1,661,066)	18,159,959	18,062,152	(97,807)	-0.5%	-16.3%	25,024,504
Income from Investments	(17,294)	(29,704)	(12,410)	166,300	161,251	(5,049)	-3.0%	-18.8%	106,808
Transfer from Lottery Commission	4,783,038	5,496,990	713,952	38,264,302	40,440,838	2,176,536	5.7%	9.5%	50,700,000
Transfers to Tax Relief Programs *	(2,522,424)	(3,431,809)	(909,385)	(110,841,839)	(111,711,991)	(870,152)	-0.8%	-1.9%	(114,068,263)
Transfers for Municipal Revenue Sharing	(3,801,319)	(3,897,132)	(95,813)	(68,993,352)	(69,027,341)	(33,989)	0.0%	0.5%	(95,047,787)
Other Revenue *	4,075,830	3,302,872	(772,958)	16,717,502	17,037,257	319,755	1.9%	-31.4%	46,069,972
<b>Totals</b>	<b>199,266,490</b>	<b>226,524,684</b>	<b>27,258,194</b>	<b>1,883,916,143</b>	<b>1,918,931,899</b>	<b>35,015,756</b>	<b>1.9%</b>	<b>1.8%</b>	<b>2,953,370,593</b>

\* Additional detail by subcategory for these categories is presented on the following page.

**General Fund Revenue**  
**Fiscal Year Ending June 30, 2012 (FY 2012)**  
**March 2012 Revenue Variance Report**

Revenue Category	March '12 Budget	March '12 Actual	March '12 Variance	Fiscal Year-To-Date					FY 2012 Budgeted Totals
				Budget	Actual	Variance	Variance %	% Change from Prior Year	
<b>Detail of Other Taxes and Fees:</b>									
- Property Tax - Unorganized Territory	0	0	0	12,414,698	12,043,355	(371,343)	-3.0%	1.2%	13,555,547
- Real Estate Transfer Tax	1,071,858	523,123	(548,735)	6,673,007	5,854,857	(818,150)	-12.3%	-46.1%	9,767,309
- Liquor Taxes and Fees	1,586,775	1,568,420	(18,355)	15,202,474	15,321,067	118,593	0.8%	0.8%	21,065,530
- Corporation Fees and Licenses	1,431,225	1,012,697	(418,529)	3,662,120	3,414,871	(247,250)	-6.8%	-6.1%	7,847,099
- Telecommunication Personal Prop. Tax	0	0	0	(2,646,902)	(2,543,388)	103,514	3.9%	-10134.1%	9,641,734
- Finance Industry Fees	1,904,581	2,543,820	639,239	17,667,779	18,767,820	1,100,041	6.2%	1.5%	23,381,610
- Milk Handling Fee	157,328	197,462	40,134	1,032,440	936,537	(95,903)	-9.3%	-73.8%	1,773,703
- Racino Revenue	2,339,329	2,302,427	(36,902)	8,791,096	8,704,193	(86,903)	-1.0%	21.5%	12,149,857
- Boat, ATV and Snowmobile Fees	131,884	227,683	95,799	2,500,939	2,590,959	90,020	3.6%	-1.2%	4,620,911
- Hunting and Fishing License Fees	548,489	994,583	446,094	12,084,480	11,482,317	(602,163)	-5.0%	-3.6%	16,161,752
- Other Miscellaneous Taxes and Fees	4,530,590	4,617,022	86,432	9,722,759	9,878,056	155,297	1.6%	-31.1%	11,827,500
<b>Subtotal - Other Taxes and Fees</b>	<b>13,702,059</b>	<b>13,987,238</b>	<b>285,179</b>	<b>87,104,890</b>	<b>86,450,643</b>	<b>(654,247)</b>	<b>-0.8%</b>	<b>-13.2%</b>	<b>131,792,552</b>
<b>Detail of Other Revenue:</b>									
- Liquor Sales and Operations	4,778	0	(4,778)	22,435	22,750	315	1.4%	-2.1%	8,045,000
- Targeted Case Management (DHHS)	(9,447)	163	9,610	3,167,322	3,344,512	177,190	5.6%	-73.9%	4,095,281
- State Cost Allocation Program	1,732,081	1,089,332	(642,749)	9,880,185	9,630,642	(249,543)	-2.5%	-11.9%	14,101,011
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	2,348,420
- Toursim Transfer	0	0	0	(9,419,745)	(9,419,745)	0	0.0%	-4.1%	(9,419,745)
- Transfer to Maine Milk Pool	82,053	(330,785)	(412,838)	(887,474)	(583,691)	303,783	34.2%	86.2%	(1,160,341)
- Transfer to STAR Transportation Fund	0	0	0	(3,196,872)	(3,196,872)	0	0.0%	-3.1%	(3,196,872)
- Other Miscellaneous Revenue	2,266,365	2,544,161	277,796	17,151,651	17,239,661	88,010	0.5%	-1.2%	31,257,218
<b>Subtotal - Other Revenue</b>	<b>4,075,830</b>	<b>3,302,872</b>	<b>(772,958)</b>	<b>16,717,502</b>	<b>17,037,257</b>	<b>319,755</b>	<b>1.9%</b>	<b>-31.4%</b>	<b>46,069,972</b>
<b>Detail of Transfers to Tax Relief Programs:</b>									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(1,000,000)	(1,189,194)	(189,194)	(39,398,956)	(39,829,863)	(430,907)	-1.1%	-4.2%	(42,083,286)
- BETR - Business Equipment Tax Reimb.	(1,506,648)	(2,242,615)	(735,967)	(52,010,901)	(52,745,522)	(734,621)	-1.4%	4.4%	(52,552,995)
- BETE - Municipal Bus. Equip. Tax Reimb.	(15,776)	0	15,776	(19,431,982)	(19,136,606)	295,376	1.5%	-17.4%	(19,431,982)
<b>Subtotal - Tax Relief Transfers</b>	<b>(2,522,424)</b>	<b>(3,431,809)</b>	<b>(909,385)</b>	<b>(110,841,839)</b>	<b>(111,711,991)</b>	<b>(870,152)</b>	<b>-0.8%</b>	<b>-1.9%</b>	<b>(114,068,263)</b>
<b>Inland Fisheries and Wildlife Revenue - Total</b>	<b>748,215</b>	<b>1,346,928</b>	<b>598,713</b>	<b>15,346,452</b>	<b>14,907,905</b>	<b>(438,547)</b>	<b>-2.9%</b>	<b>-3.0%</b>	<b>21,771,025</b>

**Highway Fund Revenue**  
**Fiscal Year Ending June 30, 2012 (FY 2012)**  
**March 2012 Revenue Variance Report**

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	March '12 Budget	March '12 Actual	March '12 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	14,487,743	13,755,671	(732,072)	133,467,090	132,627,008	(840,082)	-0.6%	-0.6%	198,580,000
- Special Fuel and Road Use Taxes	3,575,317	3,446,342	(128,975)	31,410,850	30,470,946	(939,904)	-3.0%	2.8%	45,200,000
- Transcap Transfers - Fuel Taxes	(1,327,557)	(1,277,782)	49,775	(13,608,014)	(13,527,259)	80,755	0.6%	-0.2%	(17,903,558)
- Other Fund Gasoline Tax Distributions	(362,301)	(344,671)	17,630	(3,840,736)	(3,838,629)	2,107	0.1%	0.0%	(5,065,890)
Subtotal - Fuel Taxes	16,373,202	15,579,560	(793,642)	147,429,190	145,732,067	(1,697,123)	-1.2%	0.0%	220,810,552
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	5,497,688	5,318,110	(179,578)	45,476,082	46,072,846	596,764	1.3%	0.8%	64,805,936
- License Plate Fees	317,425	313,381	(4,044)	2,301,533	2,400,807	99,274	4.3%	2.6%	3,345,309
- Long-term Trailer Registration Fees	2,552,418	2,446,064	(106,354)	8,421,474	8,315,120	(106,354)	-1.3%	-0.3%	9,884,523
- Title Fees	1,038,338	1,077,517	39,179	8,745,975	8,785,154	39,179	0.4%	8.1%	11,803,313
- Motor Vehicle Operator License Fees	872,963	756,917	(116,046)	6,256,735	6,168,421	(88,315)	-1.4%	38.6%	8,423,641
- Transcap Transfers - Motor Vehicle Fees	(3,291,924)	(3,233,904)	58,020	(10,944,985)	(10,787,725)	157,260	1.4%	-2.3%	(15,024,536)
Subtotal - Motor Vehicle Reg. & Fees	6,986,908	6,678,085	(308,823)	60,256,814	60,954,622	697,808	1.2%	4.3%	83,238,186
Motor Vehicle Inspection Fees	219,200	188,146	(31,055)	2,142,800	2,390,298	247,498	11.6%	8.2%	2,982,500
Other Highway Fund Taxes and Fees	86,003	93,899	7,896	922,358	936,949	14,591	1.6%	2.3%	1,313,165
Fines, Forfeits and Penalties	79,603	196,040	116,437	742,251	770,819	28,568	3.8%	-13.7%	993,049
Interest Earnings	28,200	12,518	(15,682)	90,358	78,620	(11,738)	-13.0%	-13.4%	121,761
Other Highway Fund Revenue	482,366	427,770	(54,596)	6,723,581	7,010,925	287,344	4.3%	18.7%	8,734,112
<b>Totals</b>	<b>24,255,482</b>	<b>23,176,018</b>	<b>(1,079,464)</b>	<b>218,307,352</b>	<b>217,874,299</b>	<b>(433,053)</b>	<b>-0.2%</b>	<b>1.7%</b>	<b>318,193,325</b>

William J. Schneider  
ATTORNEY GENERAL



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STATE OF MAINE  
OFFICE OF THE ATTORNEY GENERAL  
6 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0006

April 26, 2012

Jerome Gerard, Chair  
Revenue Forecasting Committee  
Office of Fiscal & Program Review  
5 State House Station  
Augusta, ME 04333

Dear Mr. Gerard:

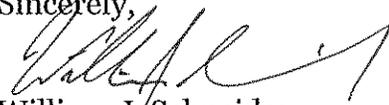
The purpose of this letter is to update the Revenue Forecasting Committee on the status of two settlements coming to the Office of the Attorney General within the next 60 days.

We will receive \$6.9 million for the recent foreclosure settlement. Of that, I have designated \$500,000 for Pine Tree Legal Services and \$1 million for the Bureau of Consumer Credit Protection for the purposes of foreclosure diversion as indicated by the court order. This will leave \$5.4 million to be distributed to the General Fund.

We will also receive \$1,183,000 for an investigation that is close to being finalized and announced. We will receive this money within 30 days of the settlement being signed by the Court. The entire amount of this settlement will be distributed to the General Fund. Due to the confidentiality clause of the settlement I cannot provide you with further details about this matter until they are made public within the next couple of weeks.

Please let me know if you have any questions.

Sincerely,

  
William J. Schneider  
Attorney General

cc: Governor Paul LePage  
Senate President Kevin L. Raye  
House Speaker Robert Nutting  
Senator Jonathan Courtney  
Senator Barry Hobbins  
Representative Emily Cain

**USING CURRENT TARGET PRICES  
HANDLING FEE INCOME**

Month	FY12	FY12	FY13	FY13
	Basic Price	Revenue	Basic Price	Revenue
June	\$23.57	\$94,077	\$18.55	\$469,387
July	\$24.28	\$88,691	\$18.71	\$469,387
August	\$24.68	\$101,527	\$19.43	\$375,509
Sept.	\$25.03	\$85,687	\$19.84	\$281,632
Oct.	\$22.81	\$91,411	\$19.96	\$281,632
Nov.	\$21.70	\$97,297	\$19.83	\$281,632
Dec.	\$21.72	\$90,740	\$19.73	\$375,510
Jan.	\$22.05	\$88,188	\$19.50	\$281,632
Feb.	\$20.28	\$198,640	\$19.50	\$281,632
March	\$19.55	\$281,632	\$19.50	\$281,632
April	\$18.91	\$469,387	\$19.50	\$281,632
May	\$19.10	\$375,510	\$19.50	\$281,632
Average	\$21.97		\$20.40	
		\$2,062,785		\$3,942,852
				\$6,005,637

**TIER PROGRAM PAYMENTS**

FY12		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	upport/CW	Pounds	Payment
Jun-11	\$22.09	\$0.00	\$0.72	\$0.00	49,790,612	\$0	
Jul-11	\$22.76	\$0.00	\$0.72	\$0.00	50,299,494	\$0	
Aug-11	\$22.97	\$0.00	\$0.72	\$0.00	50,557,842	\$0	
Sep-11	\$22.23	\$0.00	\$0.72	\$0.00	48,262,848	\$0	
Oct-11	\$20.42	\$0.00	\$0.72	\$0.02	49,309,220	\$9,139	
Nov-11	\$20.23	\$0.00	\$0.72	\$0.03	47,631,021	\$14,977	
Dec-11	\$19.57	\$0.00	\$0.72	\$0.05	51,067,519	\$96,058	
Jan-12	\$19.37	\$0.00	\$0.72	\$0.26	51,473,452	\$132,731	
Feb-12	\$18.09	\$0.39	\$0.72	\$0.59	44,341,000	\$262,678	
Mar-12	\$17.67	\$0.75	\$0.72	\$0.52	49,004,000	\$257,248	
Apr-12	\$17.21	\$0.95	\$0.72	\$0.58	48,511,000	\$278,949	
May-12	\$16.80	\$1.05	\$0.72	\$0.63	51,229,000	\$323,663	
					<b>FY12 Exp</b>	<b>\$1,375,443</b>	

FY13		Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	upport/CW	Pounds	Payment
Jun-12	\$16.81	\$1.00	\$0.72	\$2.06	49,790,612	\$1,025,255	
Jul-12	\$17.25	\$0.90	\$0.72	\$1.44	50,299,494	\$722,204	
Aug-12	\$17.78	\$0.45	\$0.72	\$1.08	50,557,842	\$547,329	
Sep-12	\$18.15	\$0.00	\$0.72	\$1.02	48,262,848	\$492,310	
Oct-12	\$18.44	\$0.00	\$0.72	\$0.77	49,309,220	\$380,397	
Nov-12	\$18.24	\$0.00	\$0.72	\$0.78	47,631,021	\$370,769	
Dec-12	\$18.10	\$0.00	\$0.72	\$0.76	51,067,519	\$389,366	
Jan-13	\$18.00	\$0.00	\$0.72	\$0.75	51,473,452	\$388,165	
Feb-13	\$18.00	\$0.00	\$0.72	\$0.73	44,341,000	\$322,119	
Mar-13	\$18.00	\$0.00	\$0.72	\$0.67	49,004,000	\$326,507	
Apr-13	\$18.00	\$0.00	\$0.72	\$0.63	48,511,000	\$303,472	
May-13	\$18.00	\$0.00	\$0.72	\$0.59	51,229,000	\$300,870	
					<b>FY13 Exp</b>	<b>\$5,568,763</b>	

**Total for FY12 & 13** \$6,944,207

**HANDLING FEE INCOME**

Month	FY14	FY14	FY15	FY15
	Basic Price	Revenue	Basic Price	Revenue
June	\$19.99	\$281,632	\$19.99	\$281,632
July	\$19.99	\$281,632	\$19.99	\$281,632
August	\$19.99	\$281,632	\$19.99	\$281,632
Sept.	\$19.99	\$281,632	\$19.99	\$281,632
Oct.	\$19.99	\$281,632	\$19.99	\$281,632
Nov.	\$19.99	\$281,632	\$19.99	\$281,632
Dec.	\$19.99	\$281,632	\$19.99	\$281,632
Jan.	\$19.99	\$281,632	\$19.99	\$281,632
Feb.	\$19.99	\$281,632	\$19.99	\$281,632
March	\$19.99	\$281,632	\$19.99	\$281,632
April	\$19.99	\$281,632	\$19.99	\$281,632
May	\$19.99	\$281,632	\$19.99	\$281,632
Average		\$3,379,588		\$3,379,588
				\$6,759,176

**TIER PROGRAM PAYMENTS**

FY14	Month	Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	upport/CW	Pounds	Payment
Jun-13		\$18.50	\$0.00	\$0.72	\$1.40	49,132,000	\$840,993
Jul-13		\$18.50	\$0.00	\$0.72	\$1.21	49,473,000	\$702,472
Aug-13		\$18.50	\$0.00	\$0.72	\$0.92	50,416,000	\$556,712
Sep-13		\$18.50	\$0.00	\$0.72	\$0.81	47,023,000	\$478,858
Oct-13		\$18.50	\$0.00	\$0.72	\$0.76	48,126,000	\$439,680
Nov-13		\$18.50	\$0.00	\$0.72	\$0.67	46,734,000	\$379,292
Dec-13		\$18.50	\$0.00	\$0.72	\$0.62	49,564,000	\$368,655
Jan-14		\$18.50	\$0.00	\$0.72	\$0.59	49,250,000	\$290,144
Feb-14		\$18.50	\$0.00	\$0.72	\$0.62	44,341,000	\$289,582
Mar-14		\$18.50	\$0.00	\$0.72	\$0.51	49,004,000	\$293,526
Apr-14		\$18.50	\$0.00	\$0.72	\$0.42	48,511,000	\$272,818
May-14		\$18.50	\$0.00	\$0.72	\$0.37	51,229,000	\$270,479
							<b>FY14 Exp</b>
							\$5,183,211

FY15	Month	Federal	Federal	Average	Average	Total	Support
		Blend/CWT	MILC/CWT	Premium	upport/CW	Pounds	Payment
Jun-14		\$18.50	\$0.00	\$0.72	\$1.40	49,132,000	\$840,993
Jul-14		\$18.50	\$0.00	\$0.72	\$1.21	49,473,000	\$702,472
Aug-14		\$18.50	\$0.00	\$0.72	\$0.92	50,416,000	\$556,712
Sep-14		\$18.50	\$0.00	\$0.72	\$0.81	47,023,000	\$478,858
Oct-14		\$18.50	\$0.00	\$0.72	\$0.76	48,126,000	\$439,680
Nov-14		\$18.50	\$0.00	\$0.72	\$0.67	46,734,000	\$379,292
Dec-14		\$18.50	\$0.00	\$0.72	\$0.62	49,564,000	\$368,655
Jan-15		\$18.50	\$0.00	\$0.72	\$0.59	49,250,000	\$290,144
Feb-15		\$18.50	\$0.00	\$0.72	\$0.62	44,341,000	\$289,582
Mar-15		\$18.50	\$0.00	\$0.72	\$0.51	49,004,000	\$293,526
Apr-15		\$18.50	\$0.00	\$0.72	\$0.42	48,511,000	\$272,818
May-15		\$18.50	\$0.00	\$0.72	\$0.37	51,229,000	\$270,479
							<b>FY15 Exp</b>
							\$5,183,211

**Total for FY14 & 15** **\$10,366,423**

NOTE: Basic Price is the Class I Price and is higher than the Uniform Federal Blend Price  
Public Law Chapter 262 2007 Cost of Production (\$20.70, \$18.07, 17.29, \$16.51)

Bob Wellington's forecast ends in Dec. 2012, prices after this are a guess on my part.  
Actual receipts for handling fee to date

**Summary of Revenue Changes - Legislation 125th Legislature, 2nd Regular Session  
Included in April 2012 Special Forecast**

**General Fund Revenue - 125th Legislature, 2nd Regular Session before March 2012 Forecast**

<b>General Fund Major Categories</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Other Taxes and Fees	\$0	\$0	\$0	(\$703,400)	(\$703,400)
<b>General Fund - Total Revenue 125th R2 Legislation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$703,400)</b>	<b>(\$703,400)</b>

**General Fund Revenue - 125th Legislature, 2nd Regular Session after March 2012 Forecast**

<b>General Fund Major Categories</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Sales Tax	\$0	(\$112,850)	(\$261,000)	(\$269,613)	(\$279,319)
Other Taxes and Fees	\$0	(\$750)	\$16,218,000	\$44,787	\$44,787
Fines	\$0	\$0	\$42,107	\$47,722	\$47,722
Tax Relief Transfers	\$0	\$0	\$41,000	\$50,000	\$50,000
Revenue Sharing	\$0	\$5,643	\$13,050	\$13,481	\$13,966
Other Revenue	\$0	\$2,015,750	\$1,813,981	\$615,250	\$619,354
<b>General Fund - Total Revenue 125th R2 Legislation</b>	<b>\$0</b>	<b>\$1,907,793</b>	<b>\$17,867,138</b>	<b>\$501,627</b>	<b>\$496,510</b>

<b>Highway Fund Categories</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Gasoline Tax	\$0	\$0	\$100,000	\$100,000	\$100,000
Licence Plate Fees	\$0	\$0	\$9,000	\$9,000	\$9,000
Motor Vehicle Operator License Fees	\$0	\$0	\$42,500	\$45,900	\$45,900
Other Highway Fund Revenue	\$0	\$0	(\$30,000)	(\$30,000)	(\$30,000)
<b>Highway Fund - Total Revenue 125th R2 Legislation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,500</b>	<b>\$124,900</b>	<b>\$124,900</b>

<b>Fund for a Healthy Maine (FHM) Categories</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Racino Revenue	\$0	\$0	(\$2,000,000)	\$0	\$0
<b>FHM - Total Revenue 125th R2 Legislation</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,000,000)</b>	<b>\$0</b>	<b>\$0</b>

**Legislative Changes - 125th Legislature, 2nd Regular Session**

LD	Law	Chap	Department	Program	Program	Description of Revenue Change	Fund	Rev Category	Source	FY 12	FY 13	FY 14	FY 15
643	Public Law	469	PUBLIC SAFETY, DEPARTMENT OF	Z002	Gambling Control Board	Reduction in revenue from dedicating casino and racino license fees which were previously deposited into the General Fund.	General Fund		1446	\$0	\$0	(\$703,400)	(\$703,400)
1693	Public Law	552	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	2	Revenue Services, Bureau of	Reduces Circuitbreaker benefits by requiring that benefits be based on property taxes actually paid, rather than assessed, and requiring proof of payment..	General Fund	Tax Relief Transfers	2741	\$0	\$41,000	\$50,000	\$50,000
1611	Resolve	156	SECRETARY OF STATE, DEPARTMENT OF	77	Administration - Motor Vehicles	Revenue from the sale of special commemorative license plates celebrating the World Acadian Congress.	Highway Fund	Licence Plate Fees	New	\$0	\$9,000	\$9,000	\$9,000
1699	Public Law	646	SECRETARY OF STATE, DEPARTMENT OF	77	Administration - Motor Vehicles	Decrease in revenue by adding buses manufactured in model year 2006 and after to the list of items municipalities can be reimbursed for through the Municipal Excise Tax Reimbursement Fund.	Highway Fund	Other Highway Fund Revenue	2719	\$0	(\$30,000)	(\$30,000)	(\$30,000)
1663	Public Law	497	PUBLIC SAFETY, DEPARTMENT OF	293	Liquor Enforcement	To reverse the revenue increase from raising the license fee by \$75.	General Fund	Other Taxes and Fees	1102	(\$750)	(\$750)	(\$750)	(\$750)
1663	Public Law	497	PUBLIC SAFETY, DEPARTMENT OF	293	Liquor Enforcement	To reverse the transfer from Public Safety to DHHS, Office of Substance Abuse for underage drinking prevention.	General Fund	Other Revenue	2716	\$750	\$750	\$750	\$750
1785	Public Law	561	INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF	530	Administrative Services - Inland Fisheries and Wildlife	Increase in revenue from repealing the requirement that residents of New Brunswick and Quebec may not hunt big game or wild turkey without a licensed guide.	General Fund	Other Taxes and Fees	1751	\$0	\$4,750	\$4,750	\$4,750
1785	Public Law	561	INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF	530	Administrative Services - Inland Fisheries and Wildlife	Increase in revenue from repealing the requirement that residents of New Brunswick and Quebec may not hunt big game or wild turkey without a licensed guide.	General Fund	Other Taxes and Fees	1752	\$0	\$32,687	\$32,687	\$32,687
1816	Public Law	477	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	921	Fund for a Healthy Maine	Lowers the cap on the Fund for a Healthy Maine share of Racino revenue by \$2,000,000 to \$2,500,000 increasing the General Fund share of Racino revenue.	General Fund	Other Taxes and Fees	1322	\$0	\$2,000,000	\$0	\$0
1816	Public Law	477	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	921	Fund for a Healthy Maine	Lowers the cap on the Fund for a Healthy Maine share of Racino revenue by \$2,000,000 to \$2,500,000 increasing the General Fund share of Racino revenue.	Fund for a Healthy Maine	Racino Revenue	1322	\$0	(\$2,000,000)	\$0	\$0
1816	Public Law	477	FINANCE AUTHORITY OF MAINE	582	Finance Authority of Maine	Reflects \$1,000,000 in new General Fund revenue from the Finance Authority of Maine Loan Insurance Reserve Fund in FY 12 and FY13.	General Fund	Other Revenue	2686	\$1,000,000	\$1,000,000	\$0	\$0
1816	Public Law	477	HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)	138	Temporary Assistance for Needy Families	Provides funding for information technology system changes necessary to collect a \$2 transaction fee for each wage assigned child support receipt received by the Division of Support Enforcement and Recovery. This initiative will result in General Fund undedicated revenue of \$339,688.	General Fund	Other Revenue	2637	\$0	\$339,688	\$339,688	\$339,688
1816	Public Law	477	HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)	138	Temporary Assistance for Needy Families	Reduces funding to reflect the net savings from collecting a \$25 annual fee in certain child support custodial cases. Savings of \$110,000 in the Temporary Assistance for Needy Families program are offset by a one-time cost in the Child Support program to implement the necessary information technology changes. This initiative will also increase General Fund undedicated revenue by \$55,000 annually.	General Fund	Other Revenue	2637	\$0	\$55,000	\$55,000	\$55,000
1816	Public Law	477	HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)	147	Medical Care - Payments to Providers	Increased revenue from the imposition of a temporary 0.39% hospital assessment for hospital fiscal years ending during calendar year 2008.	General Fund	Other Taxes and Fees	1913	\$0	#####	\$0	\$0
1816	Public Law	477	TREASURER OF STATE, OFFICE OF	22	Administration - Treasury	Recognizes undedicated revenues as a result of changes in the way in which unclaimed property is advertised.	General Fund	Other Revenue	2724	\$15,000	\$15,000	\$15,000	\$15,000
1869	Public Law	625	AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF	56	State Controller - Office of the	Reduces the GF transfer to the Milk Commission for Dairy Stabilization Program funding as a result of using a portion of Oxford slot income for this purpose.	General Fund	Other Revenue	2712	\$0	\$402,413	\$205,231	\$209,335
1841	Public Law	628	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Increase in the Victims' Compensation Fund from prohibiting a court to waive the assessment.	General Fund	Fines	2001	\$0	\$28,934	\$53,689	\$53,689
1841	Public Law	628	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Increase in the Victims' Compensation Fund from prohibiting a court to waive the assessment.	General Fund	Fines	2023	\$0	(\$28,934)	(\$53,689)	(\$53,689)
1816	Public Law	575	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	56	State Controller - Office of the	Reflects \$1,000,000 in new General Fund revenue from the Finance Authority of Maine Loan Insurance Reserve Fund in FY 12 .	General Fund	Other Revenue	2686	\$1,000,000	\$0	\$0	\$0

**Legislative Changes - 125th Legislature, 2nd Regular Session**

1903	Public Law	655	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	2	Revenue Services, Bureau of	Creates a new sales and use tax exemption for positive airway pressure equipment used in respiratory ventilation, and for supplies, repair parts and replacement parts for such equipment.	General Fund	Sales Tax	621	(\$112,850)	(\$261,000)	(\$269,613)	(\$279,319)
1903	Public Law	655	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	2	Revenue Services, Bureau of	Creates a new sales and use tax exemption for positive airway pressure equipment used in respiratory ventilation, and for supplies, repair parts and replacement parts for such equipment.	General Fund	Revenue Sharing	2704	\$5,643	\$13,050	\$13,481	\$13,966
1903	Public Law	655	MUSEUM, MAINE STATE	180	Maine State Museum	Provides one-time funds for 2 seasonal Museum Technician I positions and related costs to support an additional year of a pilot project that will allow the Maine State Museum to be open on Sundays through the summer and fall of 2012. This initiative is expected to generate \$1,500 in General Fund revenue in fiscal year 2012-13.	General Fund	Other Revenue	2618	\$0	\$1,500	\$0	\$0
1907	Public Law	649	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	2	Revenue Services, Bureau of	Repeals a provision that required the transfer of \$100,000 of Gasoline Tax collections annually to the STAR program.	Highway Fund	Gasoline Tax	330	\$0	\$100,000	\$100,000	\$100,000
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Fines	2001	\$0	\$43,276	\$49,045	\$49,045
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Fines	2025	\$0	\$1,125	\$1,275	\$1,275
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Fines	2029	\$0	(\$1,110)	(\$1,257)	(\$1,257)
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Fines	2076	\$0	(\$814)	(\$922)	(\$922)
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Fines	2079	\$0	(\$370)	(\$419)	(\$419)
1912	Public Law	654	JUDICIAL DEPARTMENT	63	Courts - Supreme, Superior and District	Revenue increase due to increase in fine amounts.	General Fund	Other Revenue	2686	\$0	(\$370)	(\$419)	(\$419)
1912	Public Law	654	SECRETARY OF STATE, DEPARTMENT OF	77	Administration - Motor Vehicles	Increase in revenue from increasing the reinstatement fee of a juvenile provisional license holder for a conviction listed in the habitual offender law from \$50 to \$200.	General Fund	Other Taxes and Fees	1503	\$0	\$7,500	\$8,100	\$8,100
1912	Public Law	654	SECRETARY OF STATE, DEPARTMENT OF	77	Administration - Motor Vehicles	Increase in revenue from increasing the reinstatement fee of a juvenile provisional license holder for a conviction listed in the habitual offender law from \$50 to \$200.	Highway Fund	Motor Vehicle Operator License Fees	1503	\$0	\$42,500	\$45,900	\$45,900

## Transfers of Municipal Revenue Sharing

### Current Law through 125th Legislature, 2nd Reg. Session and March 2012 Revenue Forecast

	FY11 Act.	FY12	FY13	FY14	FY15
2702 INDIVIDUAL INCOME TAX TRANSFER	(\$69,896,901)	(\$72,000,239)	(\$71,874,504)	(\$70,210,821)	(\$72,908,348)
2703 CORPORATE INCOME TAX TRANSFER	(\$10,119,842)	(\$10,085,521)	(\$10,646,034)	(\$12,045,116)	(\$12,724,355)
2704 SALES TAX TRANS/REV SHARING TRANSFER	(\$46,132,140)	(\$47,709,632)	(\$49,393,257)	(\$51,522,082)	(\$53,817,843)
2738 SERVICE PROVIDER TAX TRANSFER	(\$2,653,165)	(\$2,597,390)	(\$2,675,830)	(\$2,811,360)	(\$2,921,462)
<b>LGF Total 5% of Prior Months Sales and Income Tax Collections</b>	<b>(\$128,802,048)</b>	<b>(\$132,392,782)</b>	<b>(\$134,589,625)</b>	<b>(\$136,589,379)</b>	<b>(\$142,372,008)</b>
2727 FIXED TRANSFER FROM LOCAL GOVERNMENT FUND	\$38,145,323	\$40,350,638	\$44,267,343	\$0	\$0
2744 FIXED TRANSFER TO DISPRO TAX BURDEN FUND	(\$2,500,000)	(\$3,000,000)	(\$3,500,000)	(\$4,000,000)	(\$4,000,000)
<b>Net General Fund Transfers for Revenue Sharing</b>	<b>(\$93,156,725)</b>	<b>(\$95,042,144)</b>	<b>(\$93,822,282)</b>	<b>(\$140,589,379)</b>	<b>(\$146,372,008)</b>
Disproportionate Tax Burden Fund (Revenue Sharing II) % Share	16.0%	17.0%	18.0%	19.0%	20.0%
Disproportionate Tax Burden Fund (Revenue Sharing II) \$ Share	\$17,005,076	\$18,647,164	\$19,758,011	\$29,951,982	\$32,474,402
Local Government Fund (LGF) - Revenue Sharing I Share	\$76,151,649	\$76,394,980	\$74,064,271	\$110,637,397	\$113,897,606

### With April 2012 Revenue Revisions

	FY11 Act.	FY12	FY13	FY14	FY15
2702 INDIVIDUAL INCOME TAX TRANSFER	(\$69,896,901)	(\$72,015,289)	(\$71,874,416)	(\$70,210,436)	(\$72,909,050)
2703 CORPORATE INCOME TAX TRANSFER	(\$10,119,842)	(\$11,222,999)	(\$10,317,803)	(\$12,235,153)	(\$13,037,210)
2704 SALES TAX TRANS/REV SHARING TRANSFER	(\$46,132,140)	(\$48,438,919)	(\$50,148,904)	(\$52,309,751)	(\$54,640,867)
2738 SERVICE PROVIDER TAX TRANSFER	(\$2,653,165)	(\$2,528,171)	(\$2,647,599)	(\$2,792,421)	(\$2,902,016)
<b>LGF Total 5% of Prior Months Sales and Income Tax Collections</b>	<b>(\$128,802,048)</b>	<b>(\$134,205,378)</b>	<b>(\$134,988,722)</b>	<b>(\$137,547,761)</b>	<b>(\$143,489,143)</b>
2727 FIXED TRANSFER FROM LOCAL GOVERNMENT FUND	\$38,145,323	\$40,350,638	\$44,267,343	\$0	\$0
2744 FIXED TRANSFER TO DISPRO TAX BURDEN FUND	(\$2,500,000)	(\$3,000,000)	(\$3,500,000)	(\$4,000,000)	(\$4,000,000)
<b>Net General Fund Transfers for Revenue Sharing</b>	<b>(\$93,156,725)</b>	<b>(\$96,854,740)</b>	<b>(\$94,221,379)</b>	<b>(\$141,547,761)</b>	<b>(\$147,489,143)</b>
Disproportionate Tax Burden Fund (Revenue Sharing II) % Share	16.0%	17.0%	18.0%	19.0%	20.0%
Disproportionate Tax Burden Fund (Revenue Sharing II) \$ Share	\$17,005,076	\$18,955,306	\$19,829,848	\$30,134,075	\$32,697,829
Local Government Fund (LGF) - Revenue Sharing I Share	\$76,151,649	\$77,899,434	\$74,391,531	\$111,413,686	\$114,791,314

<b>Incremental Changes by Components - General Fund Revenue</b>					
2702 INDIVIDUAL INCOME TAX TRANSFER		(\$15,050)	\$88	\$385	(\$702)
2703 CORPORATE INCOME TAX TRANSFER		(\$1,137,478)	\$328,231	(\$190,037)	(\$312,855)
2704 SALES TAX TRANS/REV SHARING TRANSFER		(\$729,287)	(\$755,647)	(\$787,669)	(\$823,024)
2738 SERVICE PROVIDER TAX TRANSFER		\$69,219	\$28,231	\$18,939	\$19,446
		<u>(\$1,812,596)</u>	<u>(\$399,097)</u>	<u>(\$958,382)</u>	<u>(\$1,117,135)</u>

## Revenue Sharing Transfer Calculations - April 2012 Special Revenue Forecast

### Calculation of Lag Effect

Annual Totals for Revenue Sharing Taxes	FY 2011 Act.	FY 2012	FY 2013	FY 2014	FY 2015
Sales and Use Tax	923,686,973	973,220,397	1,009,189,596	1,053,919,425	1,100,936,775
Service Provider Tax	52,672,306	50,366,313	53,586,812	56,403,674	58,442,148
Individual Income Tax	1,415,283,534	1,444,897,209	1,436,399,714	1,399,478,877	1,466,806,120
Corporate Income Tax	208,996,598	218,610,460	204,196,901	251,840,040	262,313,088
<b>Total Revenue Sharing Base Changes</b>	<b>2,600,639,410</b>	<b>2,687,094,379</b>	<b>2,703,373,023</b>	<b>2,761,642,016</b>	<b>2,888,498,131</b>

June Revenue Sharing General Fund transfer amounts transferred in July of next fiscal year <sup>1</sup>	FY 2011 Act.	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012 Dist. June %
Sales and Use Tax (2704)	(8,181,181)	(8,403,282)	(8,713,858)	(9,100,078)	(9,506,050)	17.27%
Service Provider Tax (2738)	(506,267)	(496,412)	(528,154)	(555,917)	(576,008)	19.71%
Individual Income Tax (2702)	(9,025,531)	(9,255,102)	(9,200,672)	(8,964,180)	(9,395,436)	12.81%
Corporate Income Tax (2703)	(1,929,879)	(1,637,403)	(1,529,445)	(1,886,294)	(1,964,738)	14.98%
<b>Total</b>	<b>(19,642,859)</b>	<b>(19,792,199)</b>	<b>(19,972,129)</b>	<b>(20,506,469)</b>	<b>(21,442,232)</b>	

#### June Prior Year Minus June Current Year = General Fund Revenue Increase (Decrease) from Lag Effect

Sales and Use Tax (2704)	52,209	222,101	310,576	386,220	405,972
Service Provider Tax (2738)	(19,550)	(9,855)	31,742	27,763	20,091
Individual Income Tax (2702)	867,276	229,571	(54,430)	(236,492)	431,256
Corporate Income Tax (2703)	329,988	(292,476)	(107,958)	356,849	78,444
<b>Total</b>	<b>1,229,923</b>	<b>149,341</b>	<b>179,930</b>	<b>534,340</b>	<b>935,763</b>

#### General Fund Transfers @ 5% of Base with Lag Effect

Sales and Use Tax (2704)	(46,132,140)	(48,438,919)	(50,148,904)	(52,309,751)	(54,640,867)
Service Provider Tax (2738)	(2,653,165)	(2,528,171)	(2,647,599)	(2,792,421)	(2,902,016)
Individual Income Tax (2702)	(69,896,901)	(72,015,289)	(71,874,416)	(70,210,436)	(72,909,050)
Corporate Income Tax (2703)	(10,119,842)	(11,222,999)	(10,317,803)	(12,235,153)	(13,037,210)
<b>Subtotal - Before Fixed Transfer</b>	<b>(128,802,048)</b>	<b>(134,205,378)</b>	<b>(134,988,722)</b>	<b>(137,547,761)</b>	<b>(143,489,143)</b>

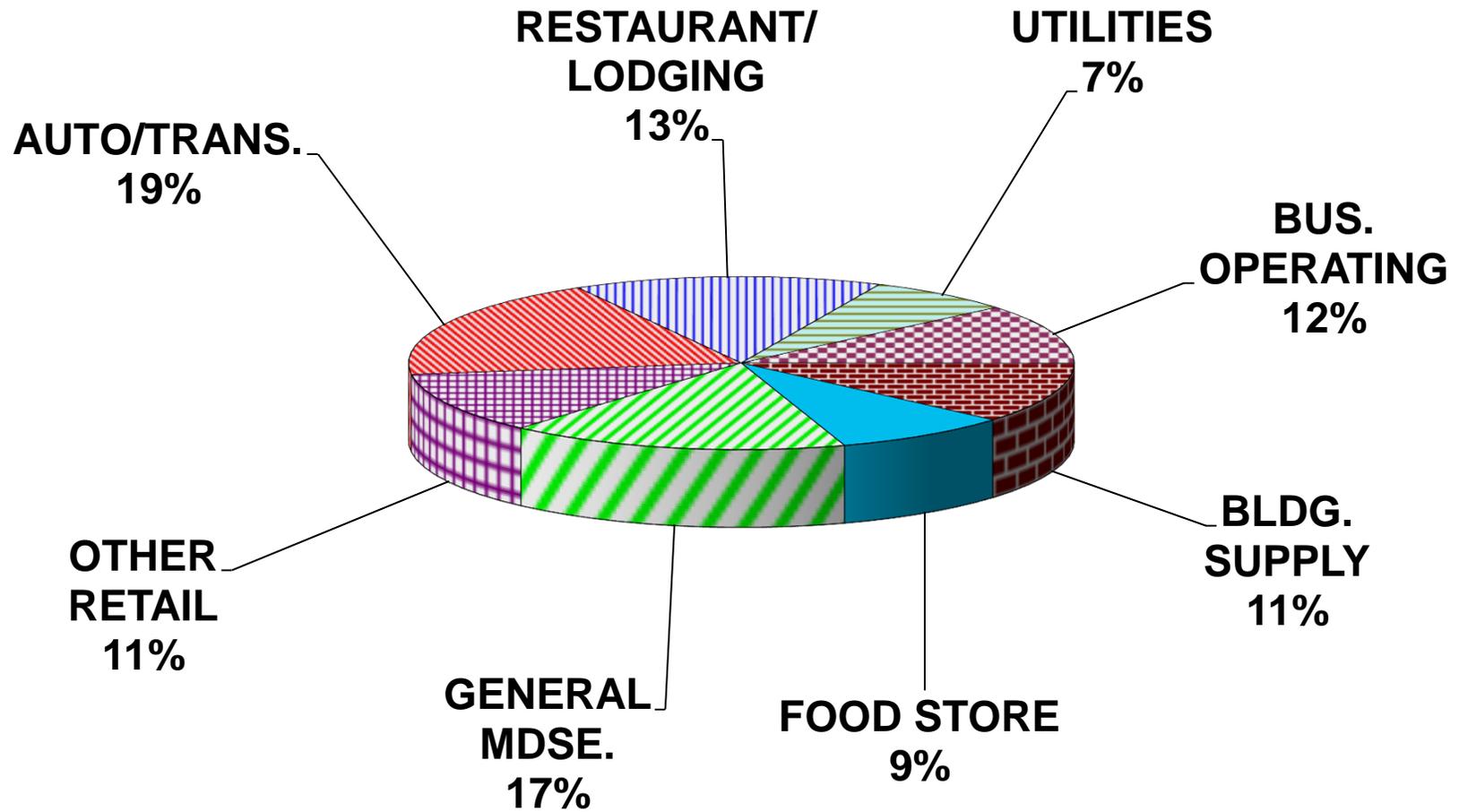
#### Notes:

<sup>1</sup> Reflects monthly distribution for FY 2012 based on a preliminary distribution provided by Maine Revenue Services updated for this forecast.

**Maine Revenue Services  
Taxable Sales by Sector  
In Thousands of Dollars**

	<b>Mar. '12</b>	<b>% Ch.</b>	<b>Mar. '11</b>	<b>% Ch.</b>	<b>Mar. '10</b>	<b>Average Last 3 Mos. Vs. Last Yr. % Change</b>	<b>Moving Total Last 12 Mos. Vs. Prior % Change</b>	<b>YTD Growth CY'12 vs. '11 Thru. Mar. % Change</b>
<b>Building Supply</b>	\$142,231.8	10.5%	\$128,746.6	-6.4%	\$137,481.0	0.0%	0.0%	0.0%
<b>Food Store</b>	\$126,431.6	2.2%	\$123,666.1	1.4%	\$121,941.2	0.0%	0.0%	0.0%
<b>General Merchandise</b>	\$232,805.0	4.0%	\$223,821.3	-4.1%	\$233,309.6	0.0%	0.0%	0.0%
<b>Other Retail</b>	\$154,470.5	3.8%	\$148,782.3	3.5%	\$143,693.7	0.0%	0.0%	0.0%
<b>Auto/Transportation</b>	\$317,579.3	3.2%	\$307,857.6	3.9%	\$296,378.1	0.0%	0.0%	0.0%
<b>Restaurant</b>	\$153,658.3	6.4%	\$144,457.1	2.4%	\$141,032.1	0.0%	0.0%	0.0%
<b>Lodging</b>	\$24,717.6	5.6%	\$23,417.6	5.9%	\$22,106.9	0.0%	0.0%	0.0%
<b>Consumer Sales</b>	\$1,151,894.1	4.6%	\$1,100,748.6	0.4%	\$1,095,942.6	0.0%	0.0%	0.0%
<b>Business Operating</b>	\$190,274.0	5.0%	\$181,187.1	4.5%	\$173,366.8	0.0%	0.0%	0.0%
<b>Total</b>	\$1,342,168.1	4.7%	\$1,281,935.7	1.0%	\$1,269,309.4	0.0%	0.0%	0.0%

# 2011 Maine Taxable Sales by Sector



Maine Revenue Services

Motor Fuel Tax Revenue FY'10 & '11 Actual and FY'12 - '15 Current Budget

		FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	
Gasoline Tax rate in cents per gallon		\$0.295	\$0.295	\$0.300	\$0.300	\$0.300	\$0.300	
Diesel Tax rate in cents per gallon		\$0.307	\$0.307	\$0.312	\$0.312	\$0.312	\$0.312	
Inflation adjustment			0.0%	1.6%	0.0%	0.0%	0.0%	
<b>Fiscal Year</b>		<b>FY'10</b>	<b>FY'11</b>	<b>FY'12</b>	<b>FY'13</b>	<b>FY'14</b>	<b>FY'15</b>	
<b>Net to the Highway Fund</b>		<b>\$177,377,553</b>	<b>\$175,802,947</b>	<b>\$179,000,552</b>	<b>\$180,181,999</b>	<b>\$182,896,624</b>	<b>\$185,530,080</b>	
0329 TransCap Trust Fund - 7.5%	7.500%	\$14,217,338	\$14,197,326	\$14,513,558	\$14,609,351	\$14,829,456	\$15,042,979	7.500%
<b>Net before transfer to TransCap Fund</b>		<b>\$191,594,891</b>	<b>\$190,000,273</b>	<b>\$193,514,110</b>	<b>\$194,791,351</b>	<b>\$197,726,080</b>	<b>\$200,573,059</b>	
0330 Transfer \$100,000 to STAR Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
<b>Gross to the Highway Fund</b>		<b>\$191,694,891</b>	<b>\$190,100,273</b>	<b>\$193,614,110</b>	<b>\$194,891,351</b>	<b>\$197,826,080</b>	<b>\$200,673,059</b>	<b>97.499%</b>
DIF&W and Snowmobile Fund	0.9045%	\$1,759,516	\$1,757,040	\$1,796,156	\$1,808,005	\$1,835,231	\$1,861,642	0.9045%
0334 General Fund - DIF&W - 14.93%		\$262,696	\$262,326	\$268,166	\$269,935	\$274,000	\$277,943	14.930%
0335 Snowmobile Trail Fund - 85.07%		\$1,496,820	\$1,494,714	\$1,527,990	\$1,538,070	\$1,561,231	\$1,583,699	85.070%
All-terrain Vehicles	0.1525%	\$296,657	\$296,240	\$302,835	\$304,832	\$309,423	\$313,876	0.1525%
0338 ATV Enforcement Fund- 50%		\$148,328	\$148,120	\$151,417	\$152,416	\$154,711	\$156,938	50.000%
0336 ATV Recreational Fund - 50%		\$148,328	\$148,120	\$151,417	\$152,416	\$154,711	\$156,938	50.000%
Motorboats	1.4437%	\$2,808,417	\$2,804,466	\$2,866,899	\$2,885,812	\$2,929,267	\$2,971,423	1.4437%
0339 Dept. of Marine Resources - 24.6%		\$690,870	\$689,899	\$705,257	\$709,910	\$720,600	\$730,970	24.600%
0337 Boating Facilities Fund - 75.4%		\$2,117,546	\$2,114,567	\$2,161,642	\$2,175,902	\$2,208,668	\$2,240,453	75.400%
<b>Total Net Revenue</b>		<b>\$196,559,480</b>	<b>\$194,958,019</b>	<b>\$198,580,000</b>	<b>\$199,890,000</b>	<b>\$202,900,000</b>	<b>\$205,820,000</b>	<b>100.000%</b>
0322 Gasoline Tax Refunds		(\$257,378)	(\$4,355,563)	(\$958,705)	(\$958,705)	(\$960,000)	(\$960,000)	
0333 Gasoline Shrinkage Allowance		(\$790,155)	(\$869,958)	(\$814,586)	(\$814,586)	(\$815,000)	(\$815,000)	
<b>0321 Gross Gasoline Tax Revenue</b>		<b>\$197,607,013</b>	<b>\$200,183,539</b>	<b>\$200,353,291</b>	<b>\$201,663,291</b>	<b>\$204,675,000</b>	<b>\$207,595,000</b>	
Special Fuel Tax					\$200,890,000			
<b>Net to the Highway Fund</b>		<b>\$41,813,154</b>	<b>\$41,230,945</b>	<b>\$41,810,000</b>	<b>\$42,133,750</b>	<b>\$42,355,750</b>	<b>\$42,698,000</b>	<b>92.50%</b>
0308 TransCap Trust Fund - 7.5%	7.500%	\$3,414,550	\$3,357,494	\$3,390,000	\$3,416,250	\$3,434,250	\$3,462,000	7.50%
<b>Total Net Revenue</b>		<b>\$45,227,703</b>	<b>\$44,588,438</b>	<b>\$45,200,000</b>	<b>\$45,550,000</b>	<b>\$45,790,000</b>	<b>\$46,160,000</b>	<b>100.00%</b>
0312 IFTA Refunds		(\$2,670,988)	(\$3,729,737)	(\$3,222,265)	(\$3,222,265)	(\$3,222,265)	(\$3,222,265)	
0325 Off-Highway Refunds		(\$4,116,934)	(\$5,269,752)	(\$5,300,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	
0326 Interest Payments		\$245	\$258	\$0	\$0	\$0	\$0	
<b>0311 Gross Special Fuel Tax Revenue</b>		<b>\$52,015,380</b>	<b>\$53,587,670</b>	<b>\$53,722,265</b>	<b>\$53,272,265</b>	<b>\$53,512,265</b>	<b>\$53,882,265</b>	
<b>Total Net Motor Fuel Tax Revenue to the Highway Fund</b>		<b>\$219,190,706</b>	<b>\$217,033,892</b>	<b>\$220,810,552</b>	<b>\$222,315,749</b>	<b>\$225,252,374</b>	<b>\$228,228,080</b>	
<b>Total Net Motor Fuel Tax Revenue to All Funds</b>		<b>\$241,787,183</b>	<b>\$239,546,457</b>	<b>\$243,780,000</b>	<b>\$245,440,000</b>	<b>\$248,690,000</b>	<b>\$251,980,000</b>	
Growth Rate			-0.9%	1.8%	0.7%	1.3%	1.3%	

Maine Revenue Services

Motor Fuel Tax Revenue FY'10 & '11 Actual and FY'12 - '15 Forecast

April 2012

		FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	
Gasoline Tax rate in cents per gallon		\$0.295	\$0.295	\$0.300	\$0.300	\$0.300	\$0.300	
Diesel Tax rate in cents per gallon		\$0.307	\$0.307	\$0.312	\$0.312	\$0.312	\$0.312	
Forecasted inflation adjustment			0.0%	1.6%	0.0%	0.0%	0.0%	
		FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	
<b>Net to the Highway Fund</b>		<b>\$177,377,553</b>	<b>\$175,802,947</b>	<b>\$176,926,254</b>	<b>\$178,107,702</b>	<b>\$180,822,326</b>	<b>\$183,455,782</b>	
0329 TransCap Trust Fund - 7.5%	7.500%	\$14,217,338	\$14,197,326	\$14,345,372	\$14,441,165	\$14,661,270	\$14,874,793	7.500%
Net before transfer to TransCap Fund		\$191,594,891	\$190,000,273	\$191,271,626	\$192,548,867	\$195,483,596	\$198,330,575	
0330 Transfer \$100,000 to STAR Fund		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Gross to the Highway Fund		\$191,694,891	\$190,100,273	\$191,371,626	\$192,648,867	\$195,583,596	\$198,430,575	97.499%
DIF&W and Snowmobile Fund	0.9045%	\$1,759,516	\$1,757,040	\$1,775,353	\$1,787,202	\$1,814,427	\$1,840,838	0.9045%
0334 General Fund - DIF&W - 14.93%		\$262,696	\$262,326	\$265,060	\$266,829	\$274,894	\$274,837	14.930%
0335 Snowmobile Trail Fund - 85.07%		\$1,496,820	\$1,494,714	\$1,510,292	\$1,520,372	\$1,543,533	\$1,566,001	85.070%
All-terrain Vehicles	0.1525%	\$296,657	\$296,240	\$299,327	\$301,325	\$305,915	\$310,368	0.1525%
0338 ATV Enforcement Fund- 50%		\$148,328	\$148,120	\$149,664	\$150,662	\$152,958	\$155,184	50.000%
0336 ATV Recreational Fund - 50%		\$148,328	\$148,120	\$149,664	\$150,662	\$152,958	\$155,184	50.000%
Motorboats	1.4437%	\$2,808,417	\$2,804,466	\$2,833,694	\$2,852,607	\$2,896,062	\$2,938,218	1.4437%
0339 Dept. of Marine Resources - 24.6%		\$690,870	\$689,899	\$697,089	\$701,741	\$712,431	\$722,802	24.600%
0337 Boating Facilities Fund - 75.4%		\$2,117,546	\$2,114,567	\$2,136,606	\$2,150,866	\$2,183,631	\$2,215,417	75.400%
<b>Total Net Revenue</b>		<b>\$196,559,480</b>	<b>\$194,958,019</b>	<b>\$196,280,000</b>	<b>\$197,590,000</b>	<b>\$200,600,000</b>	<b>\$203,520,000</b>	<b>100.000%</b>
0322 Gasoline Tax Refunds		(\$257,378)	(\$4,355,563)	(\$958,705)	(\$958,705)	(\$960,000)	(\$960,000)	
0333 Gasoline Shrinkage Allowance		(\$790,155)	(\$869,958)	(\$814,586)	(\$814,586)	(\$815,000)	(\$815,000)	
0321 Gross Gasoline Tax Revenue		\$197,607,013	\$200,183,539	\$198,053,291	\$199,363,291	\$202,375,000	\$205,295,000	
Special Fuel Tax					\$200,890,000			
<b>Net to the Highway Fund</b>		<b>\$41,813,154</b>	<b>\$41,230,945</b>	<b>\$41,162,500</b>	<b>\$41,486,250</b>	<b>\$41,708,250</b>	<b>\$42,050,500</b>	<b>92.50%</b>
0308 TransCap Trust Fund - 7.5%	7.500%	\$3,414,550	\$3,357,494	\$3,337,500	\$3,363,750	\$3,381,750	\$3,409,500	7.50%
<b>Total Net Revenue</b>		<b>\$45,227,703</b>	<b>\$44,588,438</b>	<b>\$44,500,000</b>	<b>\$44,850,000</b>	<b>\$45,090,000</b>	<b>\$45,460,000</b>	<b>100.00%</b>
0312 IFTA Refunds		(\$2,670,988)	(\$3,729,737)	(\$3,222,265)	(\$3,222,265)	(\$3,222,265)	(\$3,222,265)	
0325 Off-Highway Refunds		(\$4,116,934)	(\$5,269,752)	(\$5,300,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	
0326 Interest Payments		\$245	\$258	\$0	\$0	\$0	\$0	
0311 Gross Special Fuel Tax Revenue		\$52,015,380	\$53,587,670	\$53,022,265	\$52,572,265	\$52,812,265	\$53,182,265	
<b>Total Net Motor Fuel Tax Revenue to the Highway Fund</b>		<b>\$219,190,706</b>	<b>\$217,033,892</b>	<b>\$218,088,754</b>	<b>\$219,593,952</b>	<b>\$222,530,576</b>	<b>\$225,506,282</b>	
<b>Total Net Motor Fuel Tax Revenue to All Funds</b>		<b>\$241,787,183</b>	<b>\$239,546,457</b>	<b>\$240,780,000</b>	<b>\$242,440,000</b>	<b>\$245,690,000</b>	<b>\$248,980,000</b>	
Growth Rate			-0.9%	0.5%	0.7%	1.3%	1.3%	

Maine Revenue Services  
 Motor Fuel Tax Revenue  
 Variance - Current Budget vs. April 2012 Forecast

		FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	
<b>Net to the Highway Fund</b>		\$0	\$0	(\$2,074,298)	(\$2,074,298)	(\$2,074,298)	(\$2,074,298)	
0329 TransCap Trust Fund - 7.5%	7.500%	\$0	\$0	(\$168,186)	(\$168,186)	(\$168,186)	(\$168,186)	7.500%
Net before transfer to TransCap Fund		\$0	\$0	(\$2,242,484)	(\$2,242,484)	(\$2,242,484)	(\$2,242,484)	
0330 Transfer \$100,000 to STAR Fund		\$0	\$0	\$0	\$0	\$0	\$0	
Gross to the Highway Fund		\$0	\$0	(\$2,242,484)	(\$2,242,484)	(\$2,242,484)	(\$2,242,484)	97.499%
DIF&W and Snowmobile Fund	0.9045%	\$0	\$0	(\$20,804)	(\$20,804)	(\$20,804)	(\$20,804)	0.9045%
0334 General Fund - DIF&W - 14.93%		\$0	\$0	(\$3,106)	(\$3,106)	(\$3,106)	(\$3,106)	14.930%
0335 Snowmobile Trail Fund - 85.07%		\$0	\$0	(\$17,698)	(\$17,698)	(\$17,698)	(\$17,698)	85.070%
All-terrain Vehicles	0.1525%	\$0	\$0	(\$3,508)	(\$3,508)	(\$3,508)	(\$3,508)	0.1525%
0338 ATV Enforcement Fund- 50%		\$0	\$0	(\$1,754)	(\$1,754)	(\$1,754)	(\$1,754)	50.000%
0336 ATV Recreational Fund - 50%		\$0	\$0	(\$1,754)	(\$1,754)	(\$1,754)	(\$1,754)	50.000%
Motorboats	1.4437%	\$0	\$0	(\$33,205)	(\$33,205)	(\$33,205)	(\$33,205)	1.4437%
0339 Dept. of Marine Resources - 24.6%		\$0	\$0	(\$8,168)	(\$8,168)	(\$8,168)	(\$8,168)	24.600%
0337 Boating Facilities Fund - 75.4%		\$0	\$0	(\$25,037)	(\$25,037)	(\$25,037)	(\$25,037)	75.400%
<b>Total Net Revenue</b>		\$0	\$0	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)	100.000%
0322 Gasoline Tax Refunds		\$0	\$0	\$0	\$0	\$0	\$0	
0333 Gasoline Shrinkage Allowance		\$0	\$0	\$0	\$0	\$0	\$0	
<b>0321 Gross Gasoline Tax Revenue</b>		\$0	\$0	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)	(\$2,300,000)	
<b>Special Fuel Tax</b>								
<b>Net to the Highway Fund</b>		\$0	\$0	(\$647,500)	(\$647,500)	(\$647,500)	(\$647,500)	92.50%
0308 TransCap Trust Fund - 7.5%	7.500%	\$0	\$0	(\$52,500)	(\$52,500)	(\$52,500)	(\$52,500)	7.50%
<b>Total Net Revenue</b>		\$0	\$0	(\$700,000)	(\$700,000)	(\$700,000)	(\$700,000)	100.00%
0312 IFTA Refunds		\$0	\$0	\$0	\$0	\$0	\$0	
0325 Off-Highway Refunds		\$0	\$0	\$0	\$0	\$0	\$0	
0326 Interest Payments		\$0	\$0	\$0	\$0	\$0	\$0	
<b>0311 Gross Special Fuel Tax Revenue</b>		\$0	\$0	(\$700,000)	(\$700,000)	(\$700,000)	(\$700,000)	
<b>Total Net Motor Fuel Tax Revenue to the Highway Fund</b>		\$0	\$0	(\$2,721,798)	(\$2,721,798)	(\$2,721,798)	(\$2,721,798)	
<b>Total Net Motor Fuel Tax Revenue to All Funds</b>		\$0	\$0	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	

## **January 2012 Revenue Adjustment - Background**

On Tuesday, April 3<sup>rd</sup>, the Commissioner of Administrative and Financial Services announced that \$14.3 million in January 2012 tax receipts deposited in the State's bank accounts had not been properly recorded as revenue in various tax categories. This error was discovered while trying to reconcile March tax revenue. These missing January revenue amounts provide some answers to some of the Revenue Forecasting Committee's (RFC) questions regarding the sudden and severe swing in General Fund revenue performance in January 2012. At that time, the RFC had to react to this substantial negative variance with no change in the underlying forecast or other economic factors other than higher heating oil and gasoline prices. The following is a look back at the impact that these receipts would have had on January revenue variances, the actual net increase of General Fund revenue from these unreconciled receipts was \$13.1 million after netting out the revenue sharing effect and other correcting accounting adjustments. This overview also provides a preliminary summary of revenue performance through March.

### **Sales and Use Tax – Additional January Revenue of \$6.6 million**

The growth of sales tax revenue as reported in February was not consistent with the data from the taxable sales reporting from the tax forms. This anomaly could not be explained at the time. December taxable sales growth was 3.7% based on data from tax forms, while Sales and Use Tax revenue reported in the accounting system declined slightly. With the \$6.6 million of unrecorded sales tax receipts, Sales and Use Tax would have been over budget by \$2.5 million and the differential in the growth rates would have been eliminated, merging at roughly 4%. It turns out that the end of the Holiday sales season was better than thought at the time. In February, the RFC was concerned about the impact of very high heating oil and gasoline prices not anticipated in the economic forecast. It is uncertain whether the RFC would have adjusted this category if the RFC was looking at Sales Tax performance with the \$6.6 million included in January revenue. The alternative model modification scenario of changing the energy price variables to reflect current prices produced a similar result as just adjusting the forecast for the negative variances through January, the methodology chosen by the RFC to adjust the March forecast.

### **Service Provider Tax – Additional January Revenue of \$0.1 million**

The Service Provider Tax was under budget by \$2.2 million in January and \$2.1 million for the fiscal year through January. The modest amount of additional revenue in this category from the January adjustment would not have altered RFC decision making in this category. Maine Revenue Services' tax models include this category in with the Sales and Use Tax. A separate calculation of the split of that revenue is required. The RFC adjusted this category downward by \$2.1 million each year.

### **Individual Income Tax – Additional January Revenue of \$1.6 million**

Individual Income Tax withholding receipts were reported as \$3.1 million under budget in January. It is unlikely that the additional \$1.9 million would not have been a significant factor in RFC decision making had withholding been reported at the slightly higher amount. In January, total Individual Income Tax revenue was reported under budget by \$23.1 million. Of this amount, \$9.4 million was due to refund processing and \$10.3 million was related to estimated payments. Both of these substantial variances were largely assumed to be related to the timing of receipts within the fiscal year. The RFC assumed that refunds would slow dramatically after February and the shortfall in estimated payments would result in higher April payments.

### **Corporate Income Tax – Additional January Revenue of \$5.2 million**

Corporate income tax estimated payments in January were reported as being under budget by \$7.6 million. Adjusting for the missing entries, estimated payments would still have been under

budget in January, but by only by \$2.4 million. The RFC worked to explain this negative variance by looking more closely at the growth of national profits. The strength of aggregate corporate profits is somewhat misleading as it is driven primarily by the performance of 2 corporations (Apple and AIG) that are not significant factors in Maine's Corporate Income Tax collections. It is uncertain what the RFC would have decided facing a much less significant negative variance.

**Cigarette and Tobacco Tax – Additional January Revenue of \$0.3 million**

Cigarette and Tobacco Tax revenue was over budget by \$1.5 million in January, but was under budget by \$0.4 million for the fiscal year at the end of January. This additional revenue would have moved this category much closer to budget. The RFC made no adjustment to this category in the March revenue forecast.