


## STATE OF MAINE REVENUE FORECASTING COMMITTEE

### Members:

Jerome Gerard, Chair, Acting State Tax Assessor  
James Breece, University of Maine System  
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review  
Michael LeVert, State Economist  
Dawna Lopatosky, Acting State Budget Officer  
Grant Pennoyer, Director, Office of Fiscal and Program Review

December 1, 2010

TO: Governor John Baldacci  
Governor-elect Paul LePage  
Members, 125<sup>th</sup> Legislature

FROM:  Jerome Gerard, Chair  
Revenue Forecasting Committee

**RE: Summary of December 2010 Revenue Forecast**

The Revenue Forecasting Committee (RFC) met on November 23, 2010 to review the current revenue forecast to comply with the statutory reporting date of December 1<sup>st</sup> and has revised its revenue projections through the fiscal year ending June 30, 2013 for the General Fund, Highway Fund, Fund for a Healthy Maine and the Medicaid Dedicated Revenue Taxes. The RFC also produced the first forecast of revenues for the period that extends through the subsequent biennium that ends June 30, 2015 (FY15). This letter with attachments provides a summary of the major findings and recommendations of the RFC. A more detailed report will be available later and posted to the RFC's web site as soon as it is completed.

In its November 1, 2010 report the Consensus Economic Forecasting Commission (CEFC) provided forecasts for the major economic variables that were used as inputs to Maine Revenue Services' tax models to help project revenue from the major taxes. Data related to non-tax revenue lines were provided by a number of different state agencies. Amidst continued economic uncertainty over the national economy, the revised CEFC forecast was mixed, recognizing improved but still negative wage and salary employment growth in calendar year 2010 while reducing previously estimated gains in 2011 and 2012. This is consistent with the view that the economy has picked up in 2010 a bit more than had been expected but will continue to improve at a slower, more prolonged pace than expected. Personal income was a more positive story. Growth in 2010 was revised upward strongly; previous growth in 2011 was left unchanged on a percentage basis, but that growth will be increasing from a higher base and an already strong 2012 performance was revised upward further. The explanation for improvement in personal income at a faster pace than wage and salary employment is that as the recovery moves forward employers will increase hours, eliminate furlough days and restore part-time workers to full-time status for existing employees before they add to the employment numbers by hiring new employees.

The CEFC report did emphasize that this forecast may be “subject to a larger than usual level of risk that may result in downward revisions to personal income and wage and salary employment in the April 2011 forecast”. In particular, the CEFC noted that the forecast assumes that the Federal Reserve Bank will expand monetary policy through quantitative easing and that the “Bush tax cuts” will be extended for all income levels through 2011. If these assumptions do not hold true, economic activity could falter, which could lower the revenue forecast. The European debt crisis and other global issues could work to choke off a sustained recovery as well.

A copy of the November 2010 report of the CEFC is available on the web at:

[http://www.maine.gov/legis/ofpr/revenue\\_forecasting\\_committee/consensus\\_economic\\_forecast/nov2010.pdf](http://www.maine.gov/legis/ofpr/revenue_forecasting_committee/consensus_economic_forecast/nov2010.pdf)

The following tables and narratives highlight the changes to each of the major funds and revenue sources included in this December 2010 forecast of the RFC. More detail on each of the funds and revenue sources is provided in the attachments to this letter.

### General Fund Summary

|                         | <b>FY10 Actual</b> | <b>FY11</b>     | <b>FY12</b>     | <b>FY13</b>     | <b>FY14</b>     | <b>FY15</b>     |
|-------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Current Forecast        | \$2,755,682,500    | \$2,773,914,960 | \$2,782,786,538 | \$2,900,922,633 |                 |                 |
| Annual % Growth         | -2.0%              | 0.7%            | 0.3%            | 4.2%            |                 |                 |
| Net Increase (Decrease) |                    | \$111,560,095   | \$170,487,312   | \$195,091,215   | \$3,281,969,701 | \$3,418,595,261 |
| Revised Forecast        | \$2,755,682,500    | \$2,885,475,055 | \$2,953,273,850 | \$3,096,013,848 | \$3,281,969,701 | \$3,418,595,261 |
| Annual % Growth         | -2.0%              | 4.7%            | 2.3%            | 4.8%            | 6.0%            | 4.2%            |

General Fund revenue estimates (also refer to Attachment A) are being revised upward by \$111.6 million in FY11 and \$365.6 million in the 2012-2013 biennium. These increases are the result of the revised economic forecast and the fact that fiscal year-to-date actual revenues through October of 2010 have a positive variance of \$56.7 million.

Individual Income Tax was the biggest contributor to the positive change with a \$43.3 million increase in FY11, a \$127.4 million increase in FY 2012 and \$143.0 million in FY 2013. This category is directly affected by changes in personal income and was up \$20.4 million through October of 2010. Long-term projections for the new forecast period are for gains of 7.6% in FY14 and 5.5% in FY15.

The second largest change was in the Corporate Income Tax line, which was raised \$41.7 million in FY11. This category was ahead of previous estimates by \$26.6 million through October. Business profits for the current year are much stronger than previously projected as businesses have become leaner and more efficient by trimming costs. Revenue gains are flowing more quickly to the bottom line and are improving net profitability. The upward revision for the 2012-2013 biennium is \$83.8 million.

The Estate Tax was another major gainer with an increase of \$11.2 million in FY11. Much of this is attributable to a single estate payment of approximately \$6 million. Such payments are unusual and are typically excluded from the on-going base for projections of future years, consequently, the upward revision for the 2012-2013 biennium only totals \$12.7 million.

Cigarette and Tobacco Tax revenues are raised approximately \$8.5 million each year in FY11, FY12 and FY13 based on a higher amount collected in FY10. Maine appears to have recaptured some sales previously leaking across the border to New Hampshire after its recent cigarette tax increase significantly narrowed the price differential between Maine and New Hampshire. Despite this jump up

in the starting base, the long-term trend is still expected to be a slow decline in sales each year due to declining consumption of tobacco products.

Insurance Companies Tax revenue is revised upward \$4.8 million in each year of the forecast period to build a portion of the higher amount received in FY10 into the baseline going forward.

Although the computer tax model projected a modest decline in Sales and Use Tax and Service Provider Tax revenue, primarily due to increased rates of savings or debt payments, this was inconsistent with recent experience through October and Maine Revenue Services did not recommend any changes these categories.

The net changes to the major tax lines that affect revenue sharing transfers remain positive throughout the forecast period and as a result increase estimates for the amount of revenue sharing to be distributed to municipalities throughout the forecast period. An additional \$3.9 million is projected to be distributed in FY11 and another \$17.1 million in the 2012-2013 biennium.

Other net General Fund changes increase revenue by \$5.0 million in FY11 but decrease it by \$6.0 million in the 2012-2013 biennium. The largest changes in each year were from Department of Health and Human Services revenue.

### Highway Fund Summary

|                         | FY10 Actual   | FY11          | FY12          | FY13          | FY14          | FY15          |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Current Forecast        | \$311,190,374 | \$307,066,369 | \$312,095,494 | \$317,915,100 |               |               |
| Annual % Growth         | -4.0%         | -1.3%         | 1.6%          | 1.9%          |               |               |
| Net Increase (Decrease) |               | \$662,438     | \$2,930,662   | \$2,454,744   | \$326,885,858 | \$333,029,695 |
| Revised Forecast        | \$311,190,374 | \$307,728,807 | \$315,026,156 | \$320,369,844 | \$326,885,858 | \$333,029,695 |
| Annual % Growth         | -4.0%         | -1.1%         | 2.4%          | 1.7%          | 2.0%          | 1.9%          |

**Highway Fund** revenue estimates (also refer to Attachment B) are revised upward by \$0.7 million in FY11. The forecast for the 2012-2013 biennium is also increased by \$5.4 million. Major gains in Fuel Taxes category were due to higher than projected gasoline tax collections in FY10 resulting in a higher base to which higher growth rates were applied as a result of the economic forecast. The inflation forecast only had a modest downward effect by slightly lowering projected tax rates for FY13. Projections for the Gasoline Tax are increased by \$5.1 million in FY11 and by \$14.2 million for the 2012-2013 biennium. Most other Highway Fund revenue categories including Special Fuel and Road Use Taxes (primarily tax on diesel fuel) are being revised downward and partially offset the increases in Gasoline Tax projections.

### Fund for a Healthy Maine Summary

|                         | FY10 Actual  | FY11          | FY12          | FY13          | FY14         | FY15         |
|-------------------------|--------------|---------------|---------------|---------------|--------------|--------------|
| Current Forecast        | \$57,560,142 | \$56,423,536  | \$62,820,377  | \$63,346,364  |              |              |
| Annual % Growth         | -15.9%       | -2.0%         | 11.3%         | 0.8%          |              |              |
| Net Increase (Decrease) |              | (\$3,629,443) | (\$9,361,249) | (\$8,754,193) | \$60,472,838 | \$60,146,432 |
| Revised Forecast        | \$57,560,142 | \$52,794,093  | \$53,459,128  | \$54,592,171  | \$60,472,838 | \$60,146,432 |
| Annual % Growth         | -15.9%       | -8.3%         | 1.3%          | 2.1%          | 10.8%        | -0.5%        |

**Fund for a Healthy Maine (FHM)** revenue estimates (also refer to Attachment C) are reduced in FY11 by \$3.6 million and by \$18.1 million in the 2012-2013 biennium. The reductions reflect the latest

National Association of Attorneys General estimates for Tobacco Settlement Payments (TSPs) and assume full withholding from the state of certain disputed payments by participating manufacturers. Not reflected in this forecast is the risk that an arbitration panel meeting in April of 2011 could rule on a related legal issue in favor of Phillip Morris that could cost Maine \$13 million immediately in FY11. FHM's share of Racino Revenue is being reduced in FY13, which is consistent with the revisions that lowered the General Fund's share of this revenue source downward.

### **Medicaid/MaineCare Dedicated Revenue Taxes Summary**

|                         | <b>FY10 Actual</b> | <b>FY11</b>   | <b>FY12</b>   | <b>FY13</b>   | <b>FY14</b>   | <b>FY15</b>   |
|-------------------------|--------------------|---------------|---------------|---------------|---------------|---------------|
| Current Forecast        | \$140,012,817      | \$148,907,342 | \$148,907,342 | \$148,907,342 |               |               |
| Annual % Growth         | 1.4%               | 6.4%          | 0.0%          | 0.0%          |               |               |
| Net Increase (Decrease) |                    | \$2,350,896   | \$2,350,896   | \$2,350,896   | \$151,258,238 | \$151,258,238 |
| Revised Forecast        | \$140,012,817      | \$151,258,238 | \$151,258,238 | \$151,258,238 | \$151,258,238 | \$151,258,238 |
| Annual % Growth         | 1.4%               | 8.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |

**Medicaid/MaineCare Dedicated Revenue Taxes** revenue estimates (also refer to Attachment D) are revised upward by \$2.4 million in FY11 and by the same amount in each year of the 2012-2013 biennium based on level funding from the actual amount collected in FY10.

Attachments

- cc: Members, Revenue Forecasting Committee
- Members, Consensus Economic Forecasting Commission
- Jane Lincoln, Chief of Staff, Governor's Office
- Ellen Schneiter, Commissioner, DAFS
- Clerk of the House
- Secretary of the Senate
- David Boulter, Executive Director, Legislative Council
- Legislative Staff Office Directors

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source                              | FY04 Actual          | % Chg.       | FY05 Actual          | % Chg.      | FY06 Actual          | % Chg.      | FY07 Actual          | % Chg.      | FY08 Actual          | % Chg.      | FY09 Actual          | % Chg.       |
|-------------------------------------|----------------------|--------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|--------------|
| Sales and Use Tax                   | 917,243,245          | 7.0%         | 896,576,322          | -2.3%       | 946,174,276          | 5.5%        | 971,455,721          | 2.7%        | 983,057,278          | 1.2%        | 921,823,720          | -6.2%        |
| Service Provider Tax                | 0                    | N/A          | 44,645,517           | N/A         | 47,028,430           | 5.3%        | 49,400,532           | 5.0%        | 52,100,664           | 5.5%        | 52,812,595           | 1.4%         |
| Individual Income Tax               | 1,156,715,909        | 7.9%         | 1,296,255,557        | 12.1%       | 1,364,368,543        | 5.3%        | 1,464,928,346        | 7.4%        | 1,558,032,961        | 6.4%        | 1,365,437,729        | -12.4%       |
| Corporate Income Tax                | 111,616,051          | 22.4%        | 135,862,913          | 21.7%       | 188,015,558          | 38.4%       | 183,851,533          | -2.2%       | 184,514,568          | 0.4%        | 143,085,966          | -22.5%       |
| Cigarette and Tobacco Tax           | 96,604,646           | -1.8%        | 96,350,704           | -0.3%       | 156,951,370          | 62.9%       | 158,953,466          | 1.3%        | 150,499,432          | -5.3%       | 144,424,712          | -4.0%        |
| Insurance Companies Tax             | 72,206,153           | 1.6%         | 75,669,053           | 4.8%        | 76,065,864           | 0.5%        | 74,452,542           | -2.1%       | 72,292,532           | -2.9%       | 79,770,431           | 10.3%        |
| Estate Tax                          | 32,075,501           | 5.1%         | 32,255,727           | 0.6%        | 75,330,514           | 133.5%      | 54,820,038           | -27.2%      | 39,890,577           | -27.2%      | 31,819,188           | -20.2%       |
| Other Taxes and Fees *              | 126,305,151          |              | 137,247,024          | 8.7%        | 142,539,230          | 3.9%        | 143,921,436          | 1.0%        | 140,215,511          | -2.6%       | 148,909,575          | 6.2%         |
| Fines, Forfeits and Penalties       | 38,219,275           | 41.6%        | 35,506,972           | -7.1%       | 37,781,055           | 6.4%        | 41,415,132           | 9.6%        | 44,465,534           | 7.4%        | 44,024,462           | -1.0%        |
| Income from Investments             | 2,310,207            | -1.5%        | 5,854,625            | 153.4%      | 8,271,869            | 41.3%       | 1,215,836            | -85.3%      | 1,074,143            | -11.7%      | 1,100,129            | 2.4%         |
| Transfer from Lottery Commission    | 41,272,645           | 4.6%         | 49,328,102           | 19.5%       | 50,879,647           | 3.1%        | 50,624,741           | -0.5%       | 49,491,086           | -2.2%       | 49,839,434           | 0.7%         |
| Transfers to Tax Relief Programs *  | 0                    |              | (26,030,227)         | N/A         | (109,861,880)        | -322.1%     | (110,993,852)        | -1.0%       | (114,564,757)        | -3.2%       | (122,931,820)        | -7.3%        |
| Transfer to Municipal Rev. Sharing  | (111,464,335)        | -8.2%        | (119,712,814)        | -7.4%       | (124,222,180)        | -3.8%       | (130,490,756)        | -5.0%       | (135,820,175)        | -4.1%       | (102,160,745)        | 24.8%        |
| Other Revenue *                     | 200,435,111          |              | 131,035,578          | -34.6%      | 72,503,389           | -44.7%      | 66,040,674           | -8.9%       | 62,569,638           | -5.3%       | 53,412,918           | -14.6%       |
| <b>Total - General Fund Revenue</b> | <b>2,683,539,557</b> | <b>12.1%</b> | <b>2,790,845,053</b> | <b>4.0%</b> | <b>2,931,825,687</b> | <b>5.1%</b> | <b>3,019,595,389</b> | <b>3.0%</b> | <b>3,087,818,992</b> | <b>2.3%</b> | <b>2,811,368,295</b> | <b>-9.0%</b> |

\* Additional detail provided on pages 4, 5 and 6

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source                              | FY10 Actual          | % Chg.       | FY10 Budget          | FY10 Variance     | % Var.      | FY11 Budget          | % Chg.      | Recom. Chg.        | FY11 Revised         | % Chg.      |
|-------------------------------------|----------------------|--------------|----------------------|-------------------|-------------|----------------------|-------------|--------------------|----------------------|-------------|
| Sales and Use Tax                   | 897,938,873          | -2.6%        | 883,839,994          | 14,098,879        | 1.6%        | 904,850,262          | 0.8%        | 0                  | 904,850,262          | 0.8%        |
| Service Provider Tax                | 56,086,391           | 6.2%         | 55,590,852           | 495,539           | 0.9%        | 57,814,486           | 3.1%        | 0                  | 57,814,486           | 3.1%        |
| Individual Income Tax               | 1,298,036,055        | -4.9%        | 1,299,630,000        | (1,593,945)       | -0.1%       | 1,326,790,000        | 2.2%        | 43,330,000         | 1,370,120,000        | 5.6%        |
| Corporate Income Tax                | 175,292,433          | 22.5%        | 147,718,716          | 27,573,717        | 18.7%       | 158,786,702          | -9.4%       | 41,703,410         | 200,490,112          | 14.4%       |
| Cigarette and Tobacco Tax           | 149,066,678          | 3.2%         | 140,139,902          | 8,926,776         | 6.4%        | 137,744,579          | -7.6%       | 8,464,976          | 146,209,555          | -1.9%       |
| Insurance Companies Tax             | 80,019,145           | 0.3%         | 71,985,000           | 8,034,145         | 11.2%       | 71,990,000           | -10.0%      | 4,775,000          | 76,765,000           | -4.1%       |
| Estate Tax                          | 31,209,840           | -1.9%        | 29,593,253           | 1,616,587         | 5.5%        | 31,739,004           | 1.7%        | 11,239,075         | 42,978,079           | 37.7%       |
| Other Taxes and Fees *              | 149,592,993          | 0.5%         | 148,808,830          | 784,163           | 0.5%        | 148,117,322          | -1.0%       | 886,560            | 149,003,882          | -0.4%       |
| Fines, Forfeits and Penalties       | 32,787,060           | -25.5%       | 32,853,721           | (66,661)          | -0.2%       | 30,816,261           | -6.0%       | 316,900            | 31,133,161           | -5.0%       |
| Income from Investments             | 265,091              | -75.9%       | 103,246              | 161,845           | 156.8%      | 275,045              | 3.8%        | (247,713)          | 27,332               | -89.7%      |
| Transfer from Lottery Commission    | 52,201,531           | 4.7%         | 49,843,299           | 2,358,232         | 4.7%        | 52,034,250           | -0.3%       | 0                  | 52,034,250           | -0.3%       |
| Transfers to Tax Relief Programs *  | (113,604,930)        | 7.6%         | (112,559,862)        | (1,045,068)       | 0.9%        | (112,087,945)        | 1.3%        | 0                  | (112,087,945)        | 1.3%        |
| Transfer to Municipal Rev. Sharing  | (97,425,079)         | 4.6%         | (95,899,642)         | (1,525,437)       | 1.6%        | (89,213,027)         | 8.4%        | (3,875,069)        | (93,088,096)         | 4.5%        |
| Other Revenue *                     | 44,216,420           | -17.2%       | 41,358,080           | 2,858,340         | 6.9%        | 54,258,021           | 22.7%       | 4,966,956          | 59,224,977           | 33.9%       |
| <b>Total - General Fund Revenue</b> | <b>2,755,682,500</b> | <b>-2.0%</b> | <b>2,693,005,389</b> | <b>62,677,111</b> | <b>2.3%</b> | <b>2,773,914,960</b> | <b>0.7%</b> | <b>111,560,095</b> | <b>2,885,475,055</b> | <b>4.7%</b> |

\* Additional detail provided on pages 4, 5 and 6

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source                              | FY12 Budget          | % Chg.      | Recom. Chg.        | FY12 Revised         | % Chg.      | FY13 Budget          | % Chg.      | Recom. Chg.        | FY13 Revised         | % Chg.      | FY14 Projection      | % Chg.      | FY15 Projection      | % Chg.      |
|-------------------------------------|----------------------|-------------|--------------------|----------------------|-------------|----------------------|-------------|--------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| Sales and Use Tax                   | 945,475,809          | 4.5%        | 0                  | 945,475,809          | 4.5%        | 992,958,416          | 5.0%        | 0                  | 992,958,416          | 5.0%        | 1,036,894,736        | 4.4%        | 1,070,820,228        | 3.3%        |
| Service Provider Tax                | 59,555,680           | 3.0%        | 0                  | 59,555,680           | 3.0%        | 61,840,807           | 3.8%        | 0                  | 61,840,807           | 3.8%        | 64,809,166           | 4.8%        | 66,947,869           | 3.3%        |
| Individual Income Tax               | 1,347,525,730        | 1.6%        | 127,374,270        | 1,474,900,000        | 7.6%        | 1,402,748,648        | 4.1%        | 143,001,352        | 1,545,750,000        | 4.8%        | 1,662,574,000        | 7.6%        | 1,754,681,000        | 5.5%        |
| Corporate Income Tax                | 171,138,480          | 7.8%        | 38,664,495         | 209,802,975          | 4.6%        | 184,967,914          | 8.1%        | 45,104,158         | 230,072,072          | 9.7%        | 252,110,933          | 9.6%        | 267,054,252          | 5.9%        |
| Cigarette and Tobacco Tax           | 134,901,044          | -2.1%       | 8,722,306          | 143,623,350          | -1.8%       | 132,580,387          | -1.7%       | 8,514,898          | 141,095,285          | -1.8%       | 138,621,367          | -1.8%       | 136,200,611          | -1.7%       |
| Insurance Companies Tax             | 71,990,000           | 0.0%        | 4,025,000          | 76,015,000           | -1.0%       | 71,990,000           | 0.0%        | 4,025,000          | 76,015,000           | 0.0%        | 76,015,000           | 0.0%        | 76,015,000           | 0.0%        |
| Estate Tax                          | 36,478,327           | 14.9%       | 4,583,185          | 41,061,512           | -4.5%       | 41,232,832           | 13.0%       | 8,137,845          | 49,370,677           | 20.2%       | 54,924,035           | 11.2%       | 56,950,563           | 3.7%        |
| Other Taxes and Fees *              | 141,899,911          | -4.2%       | (973,709)          | 140,926,202          | -5.4%       | 142,266,409          | 0.3%        | (1,932,297)        | 140,334,112          | -0.4%       | 138,401,848          | -1.4%       | 140,272,961          | 1.4%        |
| Fines, Forfeits and Penalties       | 30,831,649           | 0.0%        | (68,100)           | 30,763,549           | -1.2%       | 30,850,149           | 0.1%        | (68,100)           | 30,782,049           | 0.1%        | 30,777,049           | 0.0%        | 30,772,049           | 0.0%        |
| Income from Investments             | 275,045              | 0.0%        | (270,903)          | 4,142                | -84.8%      | 275,045              | 0.0%        | (217,450)          | 57,595               | 1290.5%     | 205,585              | 256.9%      | 205,585              | 0.0%        |
| Transfer from Lottery Commission    | 52,034,250           | 0.0%        | 0                  | 52,034,250           | 0.0%        | 52,034,250           | 0.0%        | 0                  | 52,034,250           | 0.0%        | 52,034,250           | 0.0%        | 52,034,250           | 0.0%        |
| Transfers to Tax Relief Programs *  | (126,984,977)        | -13.3%      | 0                  | (126,984,977)        | -13.3%      | (124,182,298)        | 2.2%        | 0                  | (124,182,298)        | 2.2%        | (115,257,579)        | 7.2%        | (115,281,994)        | 0.0%        |
| Transfer to Municipal Rev. Sharing  | (128,498,164)        | -44.0%      | (7,842,494)        | (136,340,658)        | -46.5%      | (134,716,016)        | -4.8%       | (9,246,935)        | (143,962,951)        | -5.6%       | (153,458,062)        | -6.6%       | (160,928,111)        | -4.9%       |
| Other Revenue *                     | 46,163,754           | -14.9%      | (3,726,738)        | 42,437,016           | -28.3%      | 46,076,090           | -0.2%       | (2,227,256)        | 43,848,834           | 3.3%        | 43,317,373           | -1.2%       | 42,850,998           | -1.1%       |
| <b>Total - General Fund Revenue</b> | <b>2,782,786,538</b> | <b>0.3%</b> | <b>170,487,312</b> | <b>2,953,273,850</b> | <b>2.3%</b> | <b>2,900,922,633</b> | <b>4.2%</b> | <b>195,091,215</b> | <b>3,096,013,848</b> | <b>4.8%</b> | <b>3,281,969,701</b> | <b>6.0%</b> | <b>3,418,595,261</b> | <b>4.2%</b> |
|                                     |                      |             |                    |                      |             |                      |             | <b>365,578,527</b> |                      |             |                      |             |                      |             |

\* Additional detail provided on pages 4, 5 and 6

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source   | FY04 Actual | % Chg. | FY05 Actual  | % Chg. | FY06 Actual   | % Chg.  | FY07 Actual   | % Chg.  | FY08 Actual   | % Chg. | FY09 Actual   | % Chg.  |
|--|-------------|--------|--------------|--------|---------------|---------|---------------|---------|---------------|--------|---------------|---------|
| <b>Detail of Other Taxes and Fees:</b>             |             |        |              |        |               |         |               |         |               |        |               |         |
| - Property Tax - Unorganized Territory             | 10,709,308  | 7.8%   | 10,622,666   | -0.8%  | 11,559,305    | 8.8%    | 11,376,293    | -1.6%   | 12,217,081    | 7.4%   | 12,633,755    | 3.4%    |
| - Real Estate Transfer Tax                         | 22,196,221  | 106.1% | 24,113,439   | 8.6%   | 24,595,580    | 2.0%    | 22,206,638    | -9.7%   | 17,465,240    | -21.4% | 17,184,746    | -1.6%   |
| - Liquor Taxes and Fees                            | 17,485,024  | 2.0%   | 17,432,377   | -0.3%  | 18,814,733    | 7.9%    | 20,283,406    | 7.8%    | 20,673,308    | 1.9%   | 20,844,377    | 0.8%    |
| - Corporation Fees & Licenses                      | 4,525,994   | 8.1%   | 6,884,833    | 52.1%  | 7,710,325     | 12.0%   | 7,935,294     | 2.9%    | 7,969,156     | 0.4%   | 7,931,072     | -0.5%   |
| - Telecommunications Personal Prop. Tax            | 27,991,188  | -4.4%  | 25,403,214   | -9.2%  | 20,627,030    | -18.8%  | 16,317,029    | -20.9%  | 16,858,472    | 3.3%   | 19,536,483    | 15.9%   |
| - Finance Industry Fees                            | 9,572,280   | 3.0%   | 18,641,800   | 94.7%  | 20,471,110    | 9.8%    | 22,004,030    | 7.5%    | 23,638,820    | 7.4%   | 23,901,210    | 1.1%    |
| - Milk Handling Fee                                | 0           | N/A    | 0            | N/A    | 1,867,527     | N/A     | 2,561,972     | 37.2%   | 631,997       | -75.3% | 6,605,226     | 945.1%  |
| - Racino Revenue                                   | 1,036,539   | -4.6%  | 1,362,611    | 31.5%  | 5,262,230     | 286.2%  | 8,607,317     | 63.6%   | 8,384,464     | -2.6%  | 8,730,346     | 4.1%    |
| - Boat, ATV and Snowmobile Fees                    | 3,974,546   | 60.0%  | 4,148,936    | 4.4%   | 3,477,043     | -16.2%  | 4,162,079     | 19.7%   | 4,295,524     | 3.2%   | 4,262,523     | -0.8%   |
| - Hunting and Fishing License Fees                 | 16,898,278  | 21.1%  | 16,691,165   | -1.2%  | 16,840,079    | 0.9%    | 16,401,841    | -2.6%   | 15,683,316    | -4.4%  | 15,378,849    | -1.9%   |
| - Other Miscellaneous Taxes and Fees               | 11,915,773  | -16.5% | 11,945,985   | 0.3%   | 11,314,268    | -5.3%   | 12,065,538    | 6.6%    | 12,398,134    | 2.8%   | 11,900,988    | -4.0%   |
| Subtotal - Other Taxes and Fees                    | 126,305,151 | 12.4%  | 137,247,024  | 8.7%   | 142,539,230   | 3.9%    | 143,921,436   | 1.0%    | 140,215,511   | -2.6%  | 148,909,575   | 6.2%    |
| <b>Detail of Other Revenue:</b>                    |             |        |              |        |               |         |               |         |               |        |               |         |
| - Liquor Sales and Operations                      | 102,182,743 | 291.9% | 49,845,027   | -51.2% | 2,560,044     | -94.9%  | 4,440,935     | 73.5%   | 5,561,666     | 25.2%  | 6,220,864     | 11.9%   |
| - Targeted Case Management (HHS)                   | 34,762,095  | 4.6%   | 34,518,055   | -0.7%  | 25,687,188    | -25.6%  | 12,834,382    | -50.0%  | 12,157,093    | -5.3%  | 13,946,371    | 14.7%   |
| - State Cost Allocation Program                    | 10,438,262  | -5.0%  | 12,891,574   | 23.5%  | 13,281,561    | 3.0%    | 15,428,622    | 16.2%   | 16,289,386    | 5.6%   | 16,104,670    | -1.1%   |
| - Unclaimed Property Transfer                      | 16,763,948  | 104.9% | 10,000,000   | -40.3% | 14,880,517    | 48.8%   | 10,499,528    | -29.4%  | 11,114,735    | 5.9%   | 13,212,409    | 18.9%   |
| - Tourism Transfer                                 | (7,213,282) | N/A    | (7,554,190)  | -4.7%  | (7,762,689)   | -2.8%   | (8,221,338)   | -5.9%   | (8,708,437)   | -5.9%  | (9,068,407)   | -4.1%   |
| - Transfer to Maine Milk Pool                      | 0           | N/A    | 0            | N/A    | (2,616,160)   | N/A     | (10,158,802)  | -288.3% | (1,078,425)   | 89.4%  | (11,810,960)  | -995.2% |
| - Transfer to STAR Transportation Fund             | 0           | N/A    | 0            | N/A    | 0             | N/A     | 0             | N/A     | 0             | N/A    | 0             | N/A     |
| - Other Miscellaneous Revenue                      | 43,501,344  | 146.2% | 31,335,111   | -28.0% | 26,472,928    | -15.5%  | 41,217,346    | 55.7%   | 27,233,620    | -33.9% | 24,807,971    | -8.9%   |
| Subtotal - Other Revenue                           | 200,435,111 | 108.5% | 131,035,578  | -34.6% | 72,503,389    | -44.7%  | 66,040,674    | -8.9%   | 62,569,638    | -5.3%  | 53,412,918    | -14.6%  |
| <b>Detail of Transfers to Tax Relief Programs:</b> |             |        |              |        |               |         |               |         |               |        |               |         |
| - Maine Resident Property Tax Program              |             |        | (26,030,227) | N/A    | (42,796,070)  | -64.4%  | (44,440,759)  | -3.8%   | (46,689,380)  | -5.1%  | (48,751,672)  | -4.4%   |
| - BETR - Business Equipment Tax Reimb.             |             |        | 0            | N/A    | (67,065,810)  | N/A     | (66,553,092)  | 0.8%    | (67,875,376)  | -2.0%  | (66,009,487)  | 2.7%    |
| - BETE - Municipal Bus. Equip. Tax Reimb.          |             |        | 0            | N/A    | 0             | N/A     | 0             | N/A     | 0             | N/A    | (8,170,661)   | N/A     |
| Subtotal - Tax Relief Transfers                    |             |        | (26,030,227) | N/A    | (109,861,880) | -322.1% | (110,993,852) | -1.0%   | (114,564,757) | -3.2%  | (122,931,820) | -7.3%   |
| IF&W Total Revenue **                              | 21,902,902  | 24.5%  | 21,817,659   | -0.4%  | 21,530,955    | -1.3%   | 21,663,828    | 0.6%    | 20,965,692    | -3.2%  | 20,579,500    | -1.8%   |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.



# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source   | FY10 Actual   | % Chg. | FY10 Budget   | FY10 Variance | % Var. | FY11 Budget   | % Chg. | Recom. Chg. | FY11 Revised  | % Chg. |
|--|---------------|--------|---------------|---------------|--------|---------------|--------|-------------|---------------|--------|
| <b>Detail of Other Taxes and Fees:</b>             |               |        |               |               |        |               |        |             |               |        |
| - Property Tax - Unorganized Territory             | 13,217,886    | 4.6%   | 14,605,928    | (1,388,042)   | -9.5%  | 13,245,281    | 0.2%   | 0           | 13,245,281    | 0.2%   |
| - Real Estate Transfer Tax                         | 12,181,181    | -29.1% | 13,148,078    | (966,897)     | -7.4%  | 14,922,365    | 22.5%  | (1,624,313) | 13,298,052    | 9.2%   |
| - Liquor Taxes and Fees                            | 20,361,554    | -2.3%  | 20,466,911    | (105,357)     | -0.5%  | 20,413,193    | 0.3%   | 0           | 20,413,193    | 0.3%   |
| - Corporation Fees & Licenses                      | 8,168,981     | 3.0%   | 7,505,099     | 663,882       | 8.8%   | 7,505,099     | -8.1%  | 192,000     | 7,697,099     | -5.8%  |
| - Telecommunications Personal Prop. Tax            | 17,523,926    | -10.3% | 16,996,988    | 526,938       | 3.1%   | 16,775,988    | -4.3%  | 0           | 16,775,988    | -4.3%  |
| - Finance Industry Fees                            | 23,831,582    | -0.3%  | 22,475,930    | 1,355,652     | 6.0%   | 22,365,980    | -6.1%  | 500,000     | 22,865,980    | -4.1%  |
| - Milk Handling Fee                                | 10,105,521    | 53.0%  | 10,344,405    | (238,884)     | -2.3%  | 3,848,975     | -61.9% | 2,100,997   | 5,949,972     | -41.1% |
| - Racino Revenue                                   | 10,421,318    | 19.4%  | 10,419,379    | 1,939         | 0.0%   | 10,855,590    | 4.2%   | 66,383      | 10,921,973    | 4.8%   |
| - Boat, ATV and Snowmobile Fees                    | 4,730,068     | 11.0%  | 4,098,040     | 632,028       | 15.4%  | 4,500,295     | -4.9%  | 0           | 4,500,295     | -4.9%  |
| - Hunting and Fishing License Fees                 | 16,277,082    | 5.8%   | 17,042,965    | (765,883)     | -4.5%  | 17,420,998    | 7.0%   | 0           | 17,420,998    | 7.0%   |
| - Other Miscellaneous Taxes and Fees               | 12,773,892    | 7.3%   | 11,705,107    | 1,068,785     | 9.1%   | 16,263,558    | 27.3%  | (348,507)   | 15,915,051    | 24.6%  |
| Subtotal - Other Taxes and Fees                    | 149,592,993   | 0.5%   | 148,808,830   | 784,163       | 0.5%   | 148,117,322   | -1.0%  | 886,560     | 149,003,882   | -0.4%  |
| <b>Detail of Other Revenue:</b>                    |               |        |               |               |        |               |        |             |               |        |
| - Liquor Sales and Operations                      | 6,784,941     | 9.1%   | 6,784,100     | 841           | 0.0%   | 7,391,759     | 8.9%   | 0           | 7,391,759     | 8.9%   |
| - Targeted Case Management (HHS)                   | 19,490,000    | 39.7%  | 20,495,347    | (1,005,347)   | -4.9%  | 18,097,695    | -7.1%  | 5,062,034   | 23,159,729    | 18.8%  |
| - State Cost Allocation Program                    | 16,008,673    | -0.6%  | 15,627,014    | 381,659       | 2.4%   | 16,581,224    | 3.6%   | 117,835     | 16,699,059    | 4.3%   |
| - Unclaimed Property Transfer                      | 5,855,999     | -55.7% | 2,333,420     | 3,522,579     | 151.0% | 2,333,420     | -60.2% | 0           | 2,333,420     | -60.2% |
| - Tourism Transfer                                 | (9,022,023)   | 0.5%   | (9,007,298)   | (14,725)      | 0.2%   | (8,972,750)   | 0.5%   | (76,127)    | (9,048,877)   | -0.3%  |
| - Transfer to Maine Milk Pool                      | (13,349,600)  | -13.0% | (13,349,600)  | 0             | 0.0%   | (4,011,691)   | 69.9%  | 0           | (4,011,691)   | 69.9%  |
| - Transfer to STAR Transportation Fund             | (3,134,861)   | N/A    | (3,134,861)   | 0             | 0.0%   | (2,946,769)   | 6.0%   | (153,583)   | (3,100,352)   | 1.1%   |
| - Other Miscellaneous Revenue                      | 21,583,291    | -13.0% | 21,609,958    | (26,667)      | -0.1%  | 25,785,133    | 19.5%  | 16,797      | 25,801,930    | 19.5%  |
| Subtotal - Other Revenue                           | 44,216,420    | -17.2% | 41,358,080    | 2,858,340     | 6.9%   | 54,258,021    | 22.7%  | 4,966,956   | 59,224,977    | 33.9%  |
| <b>Detail of Transfers to Tax Relief Programs:</b> |               |        |               |               |        |               |        |             |               |        |
| - Maine Resident Property Tax Program              | (40,851,593)  | 16.2%  | (40,500,000)  | (351,593)     | 0.9%   | (43,500,000)  | -6.5%  | 0           | (43,500,000)  | -6.5%  |
| - BETR - Business Equipment Tax Reimb.             | (58,198,436)  | 11.8%  | (57,588,138)  | (610,298)     | 1.1%   | (51,043,140)  | 12.3%  | 0           | (51,043,140)  | 12.3%  |
| - BETE - Municipal Bus. Equip. Tax Reimb.          | (14,554,901)  | -78.1% | (14,471,724)  | (83,177)      | 0.6%   | (17,544,805)  | -20.5% | 0           | (17,544,805)  | -20.5% |
| Subtotal - Tax Relief Transfers                    | (113,604,930) | 7.6%   | (112,559,862) | (1,045,068)   | 0.9%   | (112,087,945) | 1.3%   | 0           | (112,087,945) | 1.3%   |
| IF&W Total Revenue **                              | 22,039,520    | 7.1%   | 22,189,917    | (150,397)     | -0.7%  | 23,061,115    | 4.6%   | 6,919       | 23,068,034    | 4.7%   |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source   | FY12 Budget   | % Chg.  | Recom. Chg. | FY12 Revised  | % Chg.  | FY13 Budget   | % Chg. | Recom. Chg. | FY13 Revised  | % Chg. | FY14 Projection | % Chg. | FY15 Projection | % Chg. |
|--|---------------|---------|-------------|---------------|---------|---------------|--------|-------------|---------------|--------|-----------------|--------|-----------------|--------|
| <b>Detail of Other Taxes and Fees:</b>             |               |         |             |               |         |               |        |             |               |        |                 |        |                 |        |
| - Property Tax - Unorganized Territory             | 13,700,357    | 3.4%    | 0           | 13,700,357    | 3.4%    | 14,114,107    | 3.0%   | 0           | 14,114,107    | 3.0%   | 14,537,530      | 3.0%   | 14,973,656      | 3.0%   |
| - Real Estate Transfer Tax                         | 13,723,377    | -8.0%   | (2,638,027) | 11,085,350    | -16.6%  | 15,245,148    | 11.1%  | (2,775,469) | 12,469,679    | 12.5%  | 9,787,503       | -21.5% | 10,886,403      | 11.2%  |
| - Liquor Taxes and Fees                            | 20,378,357    | -0.2%   | 0           | 20,378,357    | -0.2%   | 20,412,066    | 0.2%   | 0           | 20,412,066    | 0.2%   | 20,445,452      | 0.2%   | 20,479,372      | 0.2%   |
| - Corporation Fees & Licenses                      | 7,505,099     | 0.0%    | 192,000     | 7,697,099     | 0.0%    | 7,505,099     | 0.0%   | 192,000     | 7,697,099     | 0.0%   | 7,697,099       | 0.0%   | 7,697,099       | 0.0%   |
| - Telecommunications Personal Prop. Tax            | 16,014,397    | -4.5%   | (1,525,181) | 14,489,216    | -13.6%  | 15,251,807    | -4.8%  | (1,525,181) | 13,726,626    | -5.3%  | 13,726,626      | 0.0%   | 13,726,626      | 0.0%   |
| - Finance Industry Fees                            | 22,365,980    | 0.0%    | 500,000     | 22,865,980    | 0.0%    | 22,365,980    | 0.0%   | 500,000     | 22,865,980    | 0.0%   | 22,865,980      | 0.0%   | 22,865,980      | 0.0%   |
| - Milk Handling Fee                                | 3,379,588     | -12.2%  | 2,910,200   | 6,289,788     | 5.7%    | 3,379,588     | 0.0%   | 2,253,058   | 5,632,646     | -10.4% | 5,632,646       | 0.0%   | 5,632,646       | 0.0%   |
| - Racino Revenue                                   | 11,252,039    | 3.7%    | (406,401)   | 10,845,638    | -0.7%   | 10,398,497    | -7.6%  | (505,536)   | 9,892,961     | -8.8%  | 10,177,030      | 2.9%   | 10,469,622      | 2.9%   |
| - Boat, ATV and Snowmobile Fees                    | 4,500,295     | 0.0%    | 0           | 4,500,295     | 0.0%    | 4,500,295     | 0.0%   | 0           | 4,500,295     | 0.0%   | 4,500,295       | 0.0%   | 4,500,295       | 0.0%   |
| - Hunting and Fishing License Fees                 | 17,420,998    | 0.0%    | 0           | 17,420,998    | 0.0%    | 17,420,998    | 0.0%   | 0           | 17,420,998    | 0.0%   | 17,420,998      | 0.0%   | 17,420,998      | 0.0%   |
| - Other Miscellaneous Taxes and Fees               | 11,659,424    | -28.3%  | (6,300)     | 11,653,124    | -26.8%  | 11,672,824    | 0.1%   | (71,169)    | 11,601,655    | -0.4%  | 11,610,689      | 0.1%   | 11,620,264      | 0.1%   |
| Subtotal - Other Taxes and Fees                    | 141,899,911   |         | (973,709)   | 140,926,202   | -5.4%   | 142,266,409   | 0.3%   | (1,932,297) | 140,334,112   | -0.4%  | 138,401,848     | -1.4%  | 140,272,961     | 1.4%   |
| <b>Detail of Other Revenue:</b>                    |               |         |             |               |         |               |        |             |               |        |                 |        |                 |        |
| - Liquor Sales and Operations                      | 7,691,759     | 4.1%    | 0           | 7,691,759     | 4.1%    | 7,891,759     | 2.6%   | 0           | 7,891,759     | 2.6%   | 7,891,759       | 0.0%   | 7,891,759       | 0.0%   |
| - Targeted Case Management (HHS)                   | 16,851,418    | -6.9%   | (2,784,367) | 14,067,051    | -39.3%  | 16,851,418    | 0.0%   | (2,784,367) | 14,067,051    | 0.0%   | 14,067,051      | 0.0%   | 14,067,051      | 0.0%   |
| - State Cost Allocation Program                    | 16,533,703    | -0.3%   | (65,769)    | 16,467,934    | -1.4%   | 16,533,703    | 0.0%   | (96,450)    | 16,437,253    | -0.2%  | 16,437,253      | 0.0%   | 16,437,253      | 0.0%   |
| - Unclaimed Property Transfer                      | 2,333,420     | 0.0%    | 0           | 2,333,420     | 0.0%    | 2,333,420     | 0.0%   | 0           | 2,333,420     | 0.0%   | 2,333,420       | 0.0%   | 2,333,420       | 0.0%   |
| - Tourism Transfer                                 | (9,090,075)   | -1.3%   | (215,175)   | (9,305,250)   | -2.8%   | (9,392,175)   | -3.3%  | (269,325)   | (9,661,500)   | -3.8%  | (10,127,000)    | -4.8%  | (10,630,975)    | -5.0%  |
| - Transfer to Maine Milk Pool                      | (9,422,556)   | -134.9% | (413,270)   | (9,835,826)   | -145.2% | (9,422,556)   | 0.0%   | 1,176,604   | (8,245,952)   | 16.2%  | (8,245,952)     | 0.0%   | (8,245,952)     | 0.0%   |
| - Transfer to STAR Transportation Fund             | (2,970,343)   | -0.8%   | (144,657)   | (3,115,000)   | -0.5%   | (3,000,047)   | -1.0%  | (129,953)   | (3,130,000)   | -0.5%  | (3,160,000)     | -1.0%  | (3,190,000)     | -0.9%  |
| - Other Miscellaneous Revenue                      | 24,236,428    | -6.0%   | (103,500)   | 24,132,928    | -6.5%   | 24,280,568    | 0.2%   | (123,765)   | 24,156,803    | 0.1%   | 24,120,842      | -0.1%  | 24,188,442      | 0.3%   |
| Subtotal - Other Revenue                           | 46,163,754    | -14.9%  | (3,726,738) | 42,437,016    | -28.3%  | 46,076,090    | -0.2%  | (2,227,256) | 43,848,834    | 3.3%   | 43,317,373      | -1.2%  | 42,850,998      | -1.1%  |
| <b>Detail of Transfers to Tax Relief Programs:</b> |               |         |             |               |         |               |        |             |               |        |                 |        |                 |        |
| - Maine Resident Property Tax Program              | (56,000,000)  | -28.7%  | 0           | (56,000,000)  | -28.7%  | (57,700,000)  | -3.0%  | 0           | (57,700,000)  | -3.0%  | (53,547,597)    | 7.2%   | (55,203,454)    | -3.1%  |
| - BETR - Business Equipment Tax Reimb.             | (51,552,995)  | -1.0%   | 0           | (51,552,995)  | -1.0%   | (46,282,583)  | 10.2%  | 0           | (46,282,583)  | 10.2%  | (42,100,000)    | 9.0%   | (38,500,000)    | 8.6%   |
| - BETE - Municipal Bus. Equip. Tax Reimb.          | (19,431,982)  | -10.8%  | 0           | (19,431,982)  | -10.8%  | (20,199,715)  | -4.0%  | 0           | (20,199,715)  | -4.0%  | (19,609,982)    | 2.9%   | (21,578,540)    | -10.0% |
| Subtotal - Tax Relief Transfers                    | (126,984,977) | -13.3%  | 0           | (126,984,977) | -13.3%  | (124,182,298) | 2.2%   | 0           | (124,182,298) | 2.2%   | (115,257,579)   | 7.2%   | (115,281,994)   | 0.0%   |
| IF&W Total Revenue **                              | 23,063,573    | 0.0%    | 9,701       | 23,073,274    | 0.0%    | 23,070,446    | 0.0%   | 9,526       | 23,079,972    | 0.0%   | 23,089,006      | 0.0%   | 23,098,581      | 0.0%   |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source                                    | FY03Actual         | FY04 Actual        | % Chg.      | FY05 Actual        | % Chg.      | FY06 Actual        | % Chg.      | FY07 Actual        | % Chg.      | FY08 Actual        | % Chg.       | FY09 Actual        | % Chg.       |
|---|--------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|--------------|--------------------|--------------|
| Fuel Taxes                                |                    |                    |             |                    |             |                    |             |                    |             |                    |              |                    |              |
| - Gasoline Tax                            | 154,596,316        | 175,970,766        | 13.8%       | 178,845,268        | 1.6%        | 181,329,183        | 1.4%        | 185,677,576        | 2.4%        | 183,710,458        | -1.1%        | 178,960,918        | -2.6%        |
| - Special Fuel and Road Use Taxes         | 36,402,613         | 40,391,130         | 11.0%       | 45,400,514         | 12.4%       | 44,805,900         | -1.3%       | 45,805,856         | 2.2%        | 46,139,086         | 0.7%         | 41,811,377         | -9.4%        |
| - Transcap Transfers - Fuel Taxes         | 0                  | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A          | 0                  | N/A          |
| - Other Fund Gasoline Tax Distributions   | (3,097,921)        | (3,761,053)        | -21.4%      | (3,761,053)        | 0.0%        | (4,559,774)        | -21.2%      | (4,659,415)        | -2.2%       | (4,614,205)        | 1.0%         | (4,556,751)        | 1.2%         |
| Subtotal - Fuel Taxes                     | 187,901,008        | 212,600,843        | 13.1%       | 220,484,728        | 3.7%        | 221,575,309        | 0.5%        | 226,824,018        | 2.4%        | 225,235,339        | -0.7%        | 216,215,544        | -4.0%        |
| Motor Vehicle Registration and Fees       |                    |                    |             |                    |             |                    |             |                    |             |                    |              |                    |              |
| - Motor Vehicle Registration Fees         | 61,299,452         | 64,508,751         | 5.2%        | 65,980,294         | 2.3%        | 65,905,489         | -0.1%       | 65,216,811         | -1.0%       | 64,512,423         | -1.1%        | 62,630,817         | -2.9%        |
| - License Plate Fees                      | 1,992,739          | 2,169,867          | 8.9%        | 2,215,622          | 2.1%        | 2,255,091          | 1.8%        | 2,355,987          | 4.5%        | 2,460,929          | 4.5%         | 3,232,451          | 31.4%        |
| - Long-term Trailer Registration Fees     | 0                  | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A          | 7,450,990          | N/A          |
| - Title Fees                              | 9,962,698          | 10,308,628         | 3.5%        | 10,946,453         | 6.2%        | 10,327,181         | -5.7%       | 9,697,812          | -6.1%       | 9,363,014          | -3.5%        | 9,780,026          | 4.5%         |
| - Motor Vehicle Operator License Fees     | 8,663,680          | 5,283,077          | -39.0%      | 5,185,412          | -1.8%       | 8,883,379          | 71.3%       | 9,720,114          | 9.4%        | 9,450,155          | -2.8%        | 8,489,006          | -10.2%       |
| - Transcap Transfers - Motor Vehicle Fees | 0                  | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A         | 0                  | N/A          | 0                  | N/A          |
| Subtotal - Motor Vehicle Reg. & Fees      | 81,918,569         | 82,270,323         | 0.4%        | 84,327,780         | 2.5%        | 87,371,140         | 3.6%        | 86,990,724         | -0.4%       | 85,786,520         | -1.4%        | 91,583,289         | 6.8%         |
| Motor Vehicle Inspection Fees             | 3,041,881          | 3,117,447          | 2.5%        | 3,095,940          | -0.7%       | 3,098,785          | 0.1%        | 3,101,739          | 0.1%        | 2,940,387          | -5.2%        | 2,975,807          | 1.2%         |
| Other Highway Fund Taxes and Fees         | 2,236,218          | 1,898,182          | -15.1%      | 1,466,368          | -22.7%      | 1,561,657          | 6.5%        | 1,532,730          | -1.9%       | 1,552,173          | 1.3%         | 1,392,598          | -10.3%       |
| Fines, Forfeits and Penalties             | 2,531,692          | 1,918,703          | -24.2%      | 1,518,580          | -20.9%      | 1,809,813          | 19.2%       | 1,668,000          | -7.8%       | 1,747,986          | 4.8%         | 1,785,197          | 2.1%         |
| Income from Investments                   | 1,338,794          | 720,046            | -46.2%      | 1,440,739          | 100.1%      | 1,833,806          | 27.3%       | 1,105,987          | -39.7%      | 1,152,491          | 4.2%         | 480,419            | -58.3%       |
| Other Highway Fund Revenues               | 9,277,923          | 9,502,442          | 2.4%        | 13,744,020         | 44.6%       | 9,295,646          | -32.4%      | 9,597,886          | 3.3%        | 9,721,683          | 1.3%         | 9,809,296          | 0.9%         |
| <b>Total - Highway Fund Revenue</b>       | <b>288,246,085</b> | <b>312,027,986</b> | <b>8.3%</b> | <b>326,078,155</b> | <b>4.5%</b> | <b>326,546,157</b> | <b>0.1%</b> | <b>330,821,083</b> | <b>1.3%</b> | <b>328,136,579</b> | <b>-0.8%</b> | <b>324,242,149</b> | <b>-1.2%</b> |

**HIGHWAY FUND REVENUE**  
**REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source                                    | FY10 Actual        | % Chg.       | FY 10 Budget       | FY 10 Variance   | % Var.      | FY11 Budget        | % Chg.       | Recom. Chg.    | FY11 Revised       | % Chg.       |
|---|--------------------|--------------|--------------------|------------------|-------------|--------------------|--------------|----------------|--------------------|--------------|
| Fuel Taxes                                |                    |              |                    |                  |             |                    |              |                |                    |              |
| - Gasoline Tax                            | 196,559,480        | 9.8%         | 194,820,002        | 1,739,478        | 0.9%        | 189,570,000        | -3.6%        | 5,124,000      | 194,694,000        | -0.9%        |
| - Special Fuel and Road Use Taxes         | 45,227,703         | 8.2%         | 48,320,000         | (3,092,297)      | -6.4%       | 47,190,000         | 4.3%         | (3,538,211)    | 43,651,789         | -3.5%        |
| - Transcap Transfers - Fuel Taxes         | (17,631,888)       | N/A          | (17,862,610)       | 230,722          | -1.3%       | (17,393,957)       | -1.3%        | (109,324)      | (17,503,281)       | -0.7%        |
| - Other Fund Gasoline Tax Distributions   | (4,964,589)        | -9.0%        | (4,971,866)        | 7,277            | -0.1%       | (4,840,577)        | -2.5%        | (128,135)      | (4,968,712)        | 0.1%         |
| Subtotal - Fuel Taxes                     | 219,190,706        | 1.4%         | 220,305,526        | (1,114,820)      | -0.5%       | 214,525,466        | -2.1%        | 1,348,330      | 215,873,796        | -1.5%        |
| Motor Vehicle Registration and Fees       |                    |              |                    |                  |             |                    |              |                |                    |              |
| - Motor Vehicle Registration Fees         | 64,601,757         | 3.1%         | 64,238,886         | 362,871          | 0.6%        | 68,063,880         | 5.4%         | (3,345,842)    | 64,718,038         | 0.2%         |
| - License Plate Fees                      | 3,436,943          | 6.3%         | 3,275,350          | 161,593          | 4.9%        | 3,280,493          | -4.6%        | 164,632        | 3,445,125          | 0.2%         |
| - Long-term Trailer Registration Fees     | 7,884,523          | 5.8%         | 6,183,601          | 1,700,922        | 27.5%       | 6,183,601          | -21.6%       | 1,700,922      | 7,884,523          | 0.0%         |
| - Title Fees                              | 10,846,661         | 10.9%        | 9,507,970          | 1,338,691        | 14.1%       | 9,665,070          | -10.9%       | 1,205,986      | 10,871,056         | 0.2%         |
| - Motor Vehicle Operator License Fees     | 5,820,958          | -31.4%       | 5,589,208          | 231,750          | 4.1%        | 5,589,208          | -4.0%        | 369,651        | 5,958,859          | 2.4%         |
| - Transcap Transfers - Motor Vehicle Fees | (14,823,141)       | N/A          | (14,075,450)       | (747,691)        | 5.3%        | (14,388,499)       | -2.9%        | (442,032)      | (14,830,531)       | 0.0%         |
| Subtotal - Motor Vehicle Reg. & Fees      | 77,767,700         | -15.1%       | 74,719,565         | 3,048,135        | 4.1%        | 78,393,753         | 0.8%         | (346,683)      | 78,047,070         | 0.4%         |
| Motor Vehicle Inspection Fees             | 2,810,679          | -5.5%        | 2,952,500          | (141,822)        | -4.8%       | 2,952,500          | 5.0%         | 0              | 2,952,500          | 5.0%         |
| Other Highway Fund Taxes and Fees         | 1,338,193          | -3.9%        | 1,268,543          | 69,650           | 5.5%        | 1,270,460          | -5.1%        | 55,363         | 1,325,823          | -0.9%        |
| Fines, Forfeits and Penalties             | 1,440,062          | -19.3%       | 1,745,049          | (304,987)        | -17.5%      | 1,745,049          | 21.2%        | (440,000)      | 1,305,049          | -9.4%        |
| Income from Investments                   | 162,488            | -66.2%       | 113,330            | 49,158           | 43.4%       | 32,446             | -80.0%       | 89,592         | 122,038            | -24.9%       |
| Other Highway Fund Revenues               | 8,480,545          | -13.5%       | 8,387,253          | 93,292           | 1.1%        | 8,146,695          | -3.9%        | (44,164)       | 8,102,531          | -4.5%        |
| <b>Total - Highway Fund Revenue</b>       | <b>311,190,374</b> | <b>-4.0%</b> | <b>309,491,766</b> | <b>1,698,608</b> | <b>0.5%</b> | <b>307,066,369</b> | <b>-1.3%</b> | <b>662,438</b> | <b>307,728,807</b> | <b>-1.1%</b> |

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010

| Source                                    | FY12<br>Budget     | % Chg.      | Recom.<br>Chg.   | FY12<br>Revised    | % Chg.      | FY13<br>Budget     | % Chg.      | Recom.<br>Chg.   | FY13<br>Revised    | % Chg.      | FY14<br>Projection | % Chg.      | FY15<br>Projection | % Chg.      |
|---|--------------------|-------------|------------------|--------------------|-------------|--------------------|-------------|------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| Fuel Taxes                                |                    |             |                  |                    |             |                    |             |                  |                    |             |                    |             |                    |             |
| - Gasoline Tax                            | 191,390,002        | 1.0%        | 7,183,998        | 198,574,000        | 2.0%        | 196,479,999        | 2.7%        | 7,054,001        | 203,534,000        | 2.5%        | 210,224,000        | 3.3%        | 217,314,000        | 3.4%        |
| - Special Fuel and Road Use Taxes         | 47,670,000         | 1.0%        | (3,808,211)      | 43,861,789         | 0.5%        | 48,620,000         | 2.0%        | (4,208,211)      | 44,411,789         | 1.3%        | 45,481,789         | 2.4%        | 46,351,789         | 1.9%        |
| - Transcap Transfers - Fuel Taxes         | (17,563,044)       | 1.0%        | (239,709)        | (17,802,753)       | 1.7%        | (18,006,497)       | 2.5%        | (200,204)        | (18,206,701)       | 2.3%        | (18,776,154)       | 3.1%        | (19,359,856)       | 3.1%        |
| - Other Fund Gasoline Tax Distributions   | (4,886,091)        | 0.9%        | (179,650)        | (5,065,741)        | 2.0%        | (5,013,374)        | 2.6%        | (176,401)        | (5,189,775)        | 2.4%        | (5,357,072)        | 3.2%        | (5,534,371)        | 3.3%        |
| Subtotal - Fuel Taxes                     | 216,610,867        | 1.0%        | 2,956,428        | 219,567,295        | 1.7%        | 222,080,128        | 2.5%        | 2,469,185        | 224,549,313        | 2.3%        | 231,572,563        | 3.1%        | 238,771,562        | 3.1%        |
| Motor Vehicle Registration and Fees       |                    |             |                  |                    |             |                    |             |                  |                    |             |                    |             |                    |             |
| - Motor Vehicle Registration Fees         | 67,172,492         | -1.3%       | (2,423,830)      | 64,748,662         | 0.0%        | 66,842,384         | -0.5%       | (2,093,722)      | 64,748,662         | 0.0%        | 64,748,662         | 0.0%        | 64,748,662         | 0.0%        |
| - License Plate Fees                      | 3,207,170          | -2.2%       | 234,964          | 3,442,134          | -0.1%       | 3,209,285          | 0.1%        | 230,221          | 3,439,506          | -0.1%       | 3,439,506          | 0.0%        | 3,439,506          | 0.0%        |
| - Long-term Trailer Registration Fees     | 6,183,601          | 0.0%        | 1,700,922        | 7,884,523          | 0.0%        | 6,183,601          | 0.0%        | 1,700,922        | 7,884,523          | 0.0%        | 7,884,523          | 0.0%        | 7,884,523          | 0.0%        |
| - Title Fees                              | 9,665,069          | 0.0%        | 1,379,222        | 11,044,291         | 1.6%        | 9,665,069          | 0.0%        | 1,446,809        | 11,111,878         | 0.6%        | 11,111,878         | 0.0%        | 11,111,878         | 0.0%        |
| - Motor Vehicle Operator License Fees     | 9,423,211          | 68.6%       | (277,258)        | 9,145,953          | 53.5%       | 10,096,549         | 7.1%        | (655,366)        | 9,441,183          | 3.2%        | 8,607,905          | -8.8%       | 7,511,583          | -12.7%      |
| - Transcap Transfers - Motor Vehicle Fees | (14,388,498)       | 0.0%        | (494,532)        | (14,883,030)       | 0.4%        | (14,388,498)       | 0.0%        | (515,012)        | (14,903,510)       | 0.1%        | (14,903,510)       | 0.0%        | (14,903,510)       | 0.0%        |
| Subtotal - Motor Vehicle Reg. & Fees      | 81,263,045         | 3.7%        | 119,488          | 81,382,533         | 4.3%        | 81,608,390         | 0.4%        | 113,852          | 81,722,242         | 0.4%        | 80,888,964         | -1.0%       | 79,792,642         | -1.4%       |
| Motor Vehicle Inspection Fees             | 2,982,500          | 1.0%        | 0                | 2,982,500          | 1.0%        | 2,982,500          | 0.0%        | 0                | 2,982,500          | 0.0%        | 2,982,500          | 0.0%        | 2,982,500          | 0.0%        |
| Other Highway Fund Taxes and Fees         | 1,245,752          | -1.9%       | 60,053           | 1,305,805          | -1.5%       | 1,245,752          | 0.0%        | 60,053           | 1,305,805          | 0.0%        | 1,305,805          | 0.0%        | 1,305,805          | 0.0%        |
| Fines, Forfeits and Penalties             | 1,745,049          | 0.0%        | (440,000)        | 1,305,049          | 0.0%        | 1,745,049          | 0.0%        | (440,000)        | 1,305,049          | 0.0%        | 1,305,049          | 0.0%        | 1,305,049          | 0.0%        |
| Income from Investments                   | 32,446             | 0.0%        | 62,085           | 94,531             | -22.5%      | 32,446             | 0.0%        | 62,085           | 94,531             | 0.0%        | 448,013            | 373.9%      | 448,013            | 0.0%        |
| Other Highway Fund Revenues               | 8,215,835          | 0.8%        | 172,608          | 8,388,443          | 3.5%        | 8,220,835          | 0.1%        | 189,569          | 8,410,404          | 0.3%        | 8,382,964          | -0.3%       | 8,424,124          | 0.5%        |
| <b>Total - Highway Fund Revenue</b>       | <b>312,095,494</b> | <b>1.6%</b> | <b>2,930,662</b> | <b>315,026,156</b> | <b>2.4%</b> | <b>317,915,100</b> | <b>1.9%</b> | <b>2,454,744</b> | <b>320,369,844</b> | <b>1.7%</b> | <b>326,885,858</b> | <b>2.0%</b> | <b>333,029,695</b> | <b>1.9%</b> |
| <b>Change in Biennial Totals</b>          |                    |             |                  |                    |             |                    |             | <b>5,385,406</b> |                    |             |                    |             |                    |             |

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT REVENUE)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source  | FY04 Actual       | % Chg.        | FY05 Actual       | % Chg.      | FY06 Actual       | % Chg.       | FY07 Actual       | % Chg.      | FY08 Actual       | % Chg.       | FY09 Actual       | % Chg.       |
|---|-------------------|---------------|-------------------|-------------|-------------------|--------------|-------------------|-------------|-------------------|--------------|-------------------|--------------|
| Tobacco Settlement Payments:                        |                   |               |                   |             |                   |              |                   |             |                   |              |                   |              |
| - Base Payments                                     | 48,952,964        | 24.4%         | 49,033,129        | 0.2%        | 45,011,759        | -8.2%        | 47,113,687        | 4.7%        | 47,679,747        | 1.2%         | 52,579,385        | 10.3%        |
| - Strategic Contribution Payments                   |                   |               |                   |             |                   |              |                   |             | 10,539,443        | N/A          | 10,799,369        | 2.5%         |
| Racino Revenue *                                    | 0                 | N/A           | 0                 | N/A         | 1,771,173         | N/A          | 3,538,805         | 99.8%       | 3,735,774         | 5.6%         | 4,981,163         | 33.3%        |
| Income from Investments                             | 54,830            | -92.0%        | 91,444            | 66.8%       | 124,780           | 36.5%        | 297,803           | 138.7%      | 64,695            | -78.3%       | 49,819            | -23.0%       |
| Attorney General Reimbursements and Other Income ** | 0                 | N/A           | 220               | N/A         | 39                | -82.2%       | 217               | 453.5%      | 25,080            | N/A          | 0                 | N/A          |
| <b>Total - FHM Revenue</b>                          | <b>49,007,794</b> | <b>-13.2%</b> | <b>49,124,793</b> | <b>0.2%</b> | <b>46,907,751</b> | <b>-4.5%</b> | <b>50,950,512</b> | <b>8.6%</b> | <b>62,044,739</b> | <b>21.8%</b> | <b>68,409,736</b> | <b>10.3%</b> |

\* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT REVENUE)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source   | FY10 Actual       | % Chg.       | FY10 Budget       | FY 10<br>Variance  | % Var.       | FY11 Budget       | % Chg.        | Recom. Chg.        | FY11 Revised      | % Chg.       |
|--|-------------------|--------------|-------------------|--------------------|--------------|-------------------|---------------|--------------------|-------------------|--------------|
| Tobacco Settlement Payments:                           |                   |              |                   |                    |              |                   |               |                    |                   |              |
| - Base Payments  | 43,756,453        | -16.8%       | 45,253,322        | (1,496,869)        | -3.3%        | 42,839,213        | -2.1%         | (2,746,398)        | 40,092,815        | -6.4%        |
| - Strategic Contribution Payments                      | 9,375,838         | -13.2%       | 9,716,966         | (341,128)          | -3.5%        | 9,227,296         | -1.6%         | (884,637)          | 8,342,659         | -9.6%        |
| Racino Revenue *                                       | 4,500,000         | -9.7%        | 4,500,000         | 0                  | 0.0%         | 4,500,000         | 0.0%          | 0                  | 4,500,000         | 0.0%         |
| Income from Investments                                | 20,511            | -58.8%       | 14,335            | 6,176              | 43.1%        | 2,174             | -89.4%        | 1,592              | 3,766             | 73.2%        |
| Attorney General Reimbursements and Other<br>Income ** | (92,660)          | N/A          | (92,660)          | 0                  | N/A          | (145,147)         | 56.6%         | 0                  | (145,147)         | 0.0%         |
| <b>Total - FHM Revenue</b>                             | <b>57,560,142</b> | <b>-7.2%</b> | <b>59,391,963</b> | <b>(1,831,821)</b> | <b>-3.1%</b> | <b>56,423,536</b> | <b>-17.5%</b> | <b>(3,629,443)</b> | <b>52,794,093</b> | <b>-6.4%</b> |

\* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.

**FUND FOR A HEALTHY MAINE (FHM) REVENUE  
(TOBACCO SETTLEMENT REVENUE)  
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source  | FY12<br>Budget      | %<br>Chg.    | Recom.<br>Chg.     | FY12<br>Revised   | % Chg.      | FY13<br>Budget    | % Chg.      | Recom.<br>Chg.     | FY13<br>Revised   | % Chg.      | FY14<br>Projection | % Chg.       | FY15<br>Projection | %<br>Chg.    |
|---|---------------------|--------------|--------------------|-------------------|-------------|-------------------|-------------|--------------------|-------------------|-------------|--------------------|--------------|--------------------|--------------|
| Tobacco Settlement Payments:                        |                     |              |                    |                   |             |                   |             |                    |                   |             |                    |              |                    |              |
| - Base Payments                                     | 49,128,512          | 14.7%        | (8,472,413)        | 40,656,099        | 1.4%        | 48,438,445        | -1.4%       | (7,759,977)        | 40,678,468        | 0.1%        | 46,373,513         | 14.0%        | 45,870,270         | -1.1%        |
| - Strategic Contribution Payments                   | 9,351,164           | 1.3%         | (890,524)          | 8,460,640         | 1.4%        | 9,256,695         | -1.0%       | (788,970)          | 8,467,725         | 0.1%        | 8,474,817          | 0.1%         | 8,481,914          | 0.1%         |
| Racino Revenue *                                    | 4,500,000           | 0.0%         | 0                  | 4,500,000         | 0.0%        | 5,813,386         | 29.2%       | (211,491)          | 5,601,895         | 24.5%       | 5,769,952          | 3.0%         | 5,943,051          | 3.0%         |
| Income from Investments                             | 2,400               | 10.4%        | 1,775              | 4,175             | 10.9%       | 2,500             | 4.2%        | 6,334              | 8,834             | 111.6%      | 22,512             | 154.8%       | 22,512             | 0.0%         |
| Attorney General Reimbursements and Other Income ** | (161,699)           | 11.4%        | (87)               | (161,786)         | 11.5%       | (164,662)         | 1.8%        | (89)               | (164,751)         | 1.8%        | (167,956)          | 1.9%         | (171,315)          | 2.0%         |
| <b>Total - FHM Revenue</b>                          | <b>62,820,377</b>   | <b>11.3%</b> | <b>(9,361,249)</b> | <b>53,459,128</b> | <b>1.3%</b> | <b>63,346,364</b> | <b>0.8%</b> | <b>(8,754,193)</b> | <b>54,592,171</b> | <b>2.1%</b> | <b>60,472,838</b>  | <b>10.8%</b> | <b>60,146,432</b>  | <b>-0.5%</b> |
| <b>Change in Biennial Totals</b>                    | <b>(18,115,442)</b> |              |                    |                   |             |                   |             |                    |                   |             |                    |              |                    |              |

\* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund.

\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009.



**MEDICAID/MAINECARE DEDICATED REVENUE TAXES**  
**REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source   | FY04 Actual       | % Chg.        | FY05 Actual       | % Chg.       | FY06 Actual        | % Chg.       | FY07 Actual        | % Chg.      | FY08 Actual        | % Chg.      | FY09 Actual        | % Chg.      |
|--|-------------------|---------------|-------------------|--------------|--------------------|--------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| Nursing Facility Tax*  | 30,501,448        | 38.3%         | 29,241,327        | -4.1%        | 31,397,376         | 7.4%         | 30,061,513         | -4.3%       | 31,343,582         | 4.3%        | 28,777,390         | -8.2%       |
| Residential Treatment Facility (ICFs/MR) Tax*                      | 1,617,662         | 3.4%          | 1,958,739         | 21.1%        | 1,868,534          | -4.6%        | 1,880,205          | 0.6%        | 1,819,275          | -3.2%       | 1,572,670          | -13.6%      |
| Hospital Tax **  | 16,383,319        | N/A           | 48,907,135        | 198.5%       | 54,050,888         | 10.5%        | 59,807,056         | 10.6%       | 60,515,510         | 1.2%        | 69,958,821         | 15.6%       |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs)*** | 0                 | N/A           | 15,430,099        | N/A          | 30,779,242         | 99.5%        | 33,955,412         | 10.3%       | 36,494,882         | 7.5%        | 37,720,482         | 3.4%        |
| <b>Total - Health Care Provider Taxes</b>                          | <b>48,502,429</b> | <b>105.4%</b> | <b>95,537,301</b> | <b>97.0%</b> | <b>118,096,040</b> | <b>23.6%</b> | <b>125,704,185</b> | <b>6.4%</b> | <b>130,173,249</b> | <b>3.6%</b> | <b>138,029,363</b> | <b>6.0%</b> |
| <b>Change in Biennial Totals</b>                                   |                   |               |                   |              |                    |              |                    |             |                    |             |                    |             |

\* The nursing facility and residential treatment facility tax rates were decreased in PL 2007, c. 539, Part X from 6.0% to 5.5% beginning in FY09 consistent with federal law.

\*\* The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.

\*\*\* The MaineCare service provider tax was expanded in FY06 to include: community support services (effective 6/29/05), day habilitation services (effective 7/1/05), personal support services (effective 7/1/05) and residential training services (effective 7/1/05).

**MEDICAID/MAINECARE DEDICATED REVENUE TAXES**  
**REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source  | FY10 Actual        | % Chg.      | FY10 Budget        | FY10 Variance    | % Var.      | FY11 Budget        | % Chg.      | Recom. Chg.      | FY11 Revised       | % Chg.      |
|---|--------------------|-------------|--------------------|------------------|-------------|--------------------|-------------|------------------|--------------------|-------------|
| Nursing Facility Tax  | 32,403,540         | 12.6%       | 30,173,119         | 2,230,421        | 7.4%        | 30,173,119         | -6.9%       | 2,230,421        | 32,403,540         | 7.4%        |
| Residential Treatment Facility (ICFs/MR) Tax                    | 1,859,374          | 18.2%       | 1,553,655          | 305,719          | 19.7%       | 1,553,655          | -16.4%      | 305,719          | 1,859,374          | 19.7%       |
| Hospital Tax **   | 70,140,794         | 0.3%        | 70,034,678         | 106,116          | 0.2%        | 81,386,215         | 16.0%       | 0                | 81,386,215         | 16.2%       |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs) | 35,609,109         | -5.6%       | 36,565,802         | (956,693)        | -2.6%       | 35,794,353         | 0.5%        | (185,244)        | 35,609,109         | -2.6%       |
| <b>Total - Health Care Provider Taxes</b>                       | <b>140,012,817</b> | <b>1.4%</b> | <b>138,327,254</b> | <b>1,685,563</b> | <b>1.2%</b> | <b>148,907,342</b> | <b>6.4%</b> | <b>2,350,896</b> | <b>151,258,238</b> | <b>9.3%</b> |

\*\* The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.

**MEDICAID/MAINECARE DEDICATED REVENUE TAXES**  
**REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2010**

| Source  | FY12 Budget        | % Chg.      | Recom. Chg.      | FY12 Revised       | % Chg.      | FY13 Budget        | % Chg.      | Recom. Chg.      | FY13 Revised       | % Chg.      | FY14 Projection    | % Chg.      | FY15 Projection    | % Chg.      |
|---|--------------------|-------------|------------------|--------------------|-------------|--------------------|-------------|------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| Nursing Facility Tax  | 30,173,119         | 0.0%        | 2,230,421        | 32,403,540         | 0.0%        | 30,173,119         | 0.0%        | 2,230,421        | 32,403,540         | 0.0%        | 32,403,540         | 0.0%        | 32,403,540         | 0.0%        |
| Residential Treatment Facility (ICFs/MR) Tax                    | 1,553,655          | 0.0%        | 305,719          | 1,859,374          | 0.0%        | 1,553,655          | 0.0%        | 305,719          | 1,859,374          | 0.0%        | 1,859,374          | 0.0%        | 1,859,374          | 0.0%        |
| Hospital Tax  | 81,386,215         | 0.0%        | 0                | 81,386,215         | 0.0%        | 81,386,215         | 0.0%        | 0                | 81,386,215         | 0.0%        | 81,386,215         | 0.0%        | 81,386,215         | 0.0%        |
| Service Provider Tax - Private Non-Medical Institutions (PNMIs) | 35,794,353         | 0.0%        | (185,244)        | 35,609,109         | 0.0%        | 35,794,353         | 0.0%        | (185,244)        | 35,609,109         | 0.0%        | 35,609,109         | 0.0%        | 35,609,109         | 0.0%        |
| <b>Total - Health Care Provider Taxes</b>                       | <b>148,907,342</b> | <b>0.0%</b> | <b>2,350,896</b> | <b>151,258,238</b> | <b>0.0%</b> | <b>148,907,342</b> | <b>0.0%</b> | <b>2,350,896</b> | <b>151,258,238</b> | <b>0.0%</b> | <b>151,258,238</b> | <b>0.0%</b> | <b>151,258,238</b> | <b>0.0%</b> |
| <b>Change in Biennial Totals</b>                                |                    |             |                  |                    |             |                    |             | <b>4,701,792</b> |                    |             |                    |             |                    |             |

\*\* The hospital tax base year was modified again in PL 2007, c. 545, to hospital fiscal years ending during calendar year 2006 beginning in FY 09; and again in PL 2009, c. 571 to hospital fiscal years ending during calendar year 2008 beginning in FY 11.