



Revenue Update

Maine Revenue Services – Office of Tax Policy
January 28, 2026

Fiscal Year 2026 Revenue Through December – Budget Variance

Exhibit I

STATE OF MAINE
Undedicated Revenues - General Fund
For the Sixth Month Ended December 31, 2025
For the Fiscal Year Ending June 30, 2026
Comparison to Budget

PRELIMINARY AND TENTATIVE
FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2026
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 173,420,345	\$ 171,649,724	\$ 1,770,621	1.0 %	\$ 1,293,004,867	\$ 1,291,234,247	\$ 1,770,620	0.1 %	\$ 2,399,482,973
Service Provider Tax	3,249,250	2,989,717	259,533	8.7 %	23,104,602	22,845,069	259,533	1.1 %	26,058,860
Individual Income Tax	274,909,786	275,316,624	(406,838)	(0.1)%	1,429,237,433	1,429,644,272	(406,839)	- %	2,785,528,319
Corporate Income Tax	52,422,812	62,377,796	(9,954,984)	(16.0)%	167,092,658	177,047,642	(9,954,984)	(5.6)%	371,999,999
Cigarette and Tobacco Tax	12,699,737	13,584,666	(884,929)	(6.5)%	78,611,620	79,496,550	(884,930)	(1.1)%	183,934,931
Insurance Companies Tax	325,879	82,073	243,806	297.1 %	19,964,079	19,720,274	243,805	1.2 %	133,611,000
Estate Tax	4,187,630	4,008,333	179,297	4.5 %	33,956,402	33,777,105	179,297	0.5 %	61,730,000
Fines, Forfeits & Penalties	1,097,193	1,345,550	(248,357)	(18.5)%	9,429,353	10,162,320	(732,967)	(7.2)%	16,636,207
Income from Investments	3,769,567	3,662,066	107,501	2.9 %	21,818,716	21,710,363	108,353	0.5 %	42,059,604
Transfer from Lottery Commission	8,774,648	6,000,000	2,774,648	46.2 %	46,161,186	39,000,000	7,161,186	18.4 %	78,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(62,682,245)	(63,943,831)	1,261,586	2.0 %	(66,114,664)	(67,376,249)	1,261,585	1.9 %	(82,994,000)
Transfer to Municipal Revenue Sharing	(19,099,244)	(19,101,080)	1,836	- %	(148,091,907)	(148,093,742)	1,835	- %	(283,367,645)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(118,509,077)	-	- %	(118,509,077)
Other Taxes and Fees	7,475,435	9,408,809	(1,933,374)	(20.5)%	94,219,462	86,994,978	7,224,484	8.3 %	155,647,629
Other Revenues	2,634,341	246,163	2,388,178	970.2 %	(28,914,751)	(31,634,338)	2,719,587	8.6 %	(765,953)
Total Collected	\$ 463,185,134	\$ 467,626,610	\$ (4,441,476)	(0.9)%	\$ 2,861,969,978	\$ 2,853,019,414	\$ 8,950,564	0.3 %	\$ 5,776,052,847

NOTES:

- (1) Included in the above is \$19,099,244 for the month and \$148,091,907 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 December 2025, laws enacted through the 132nd Legislature, 1st Regular Session and for all laws and any emergency laws.
- (3) This report has been prepared from preliminary month end figures and is subject to change.



Fiscal Year 2026 Revenue Through December Variance Prior Year Comparison

STATE OF MAINE

Undedicated Revenues - General Fund
For the Sixth Month Ended December 31, 2025 and 2024
For the Fiscal Year Ending June 30, 2026 and 2025
Comparison to To Prior Year

Exhibit II

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal 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	\$ 173,420,345	\$ 168,977,363	\$ 4,442,982	2.6 %	\$ 1,293,004,867	\$ 1,260,470,223	\$ 32,534,644	2.6 %
Service Provider Tax	3,249,250	3,729,579	(480,330)	(12.9)%	23,104,602	23,063,107	41,494	0.2 %
Individual Income Tax	274,909,786	246,131,268	28,778,519	11.7 %	1,429,237,433	1,406,529,214	22,708,220	1.6 %
Corporate Income Tax	52,422,812	69,794,466	(17,371,654)	(24.9)%	167,092,658	207,031,252	(39,938,594)	(19.3)%
Cigarette and Tobacco Tax	12,699,737	15,326,536	(2,626,799)	(17.1)%	78,611,620	78,086,861	524,759	0.7 %
Insurance Companies Tax	325,879	27,206	298,673	1,097.8 %	19,964,079	20,876,724	(912,645)	(4.4)%
Estate Tax	4,187,630	1,351,192	2,836,438	209.9 %	33,956,402	22,196,935	11,759,467	53.0 %
Fines, Forfeits & Penalties	1,097,193	162,880	934,313	573.6 %	9,429,353	3,069,881	6,359,472	207.2 %
Income from Investments	3,769,567	5,734,720	(1,965,153)	(34.3)%	21,818,716	32,064,350	(10,245,634)	(32.0)%
Transfer from Lottery Commission	8,774,648	7,648,330	1,126,318	14.7 %	46,161,186	38,418,592	7,742,594	20.2 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %
Transfers for Tax Relief Programs	(62,682,245)	(67,636,351)	4,954,106	7.3 %	(66,114,664)	(71,529,077)	5,414,413	7.6 %
Transfer to Municipal Revenue Sharing	(19,099,244)	(20,179,288)	1,080,044	5.4 %	(148,091,907)	(148,269,327)	177,420	0.1 %
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(115,811,095)	(2,697,983)	(2.3)%
Other Taxes and Fees	7,475,435	10,829,091	(3,353,656)	(31.0)%	94,219,462	82,953,381	11,266,081	13.6 %
Other Revenues	2,634,341	1,960,052	674,289	34.4 %	(28,914,751)	(21,265,311)	(7,649,440)	(36.0)%
Total Collected	\$ 463,185,134	\$ 443,857,043	\$ 19,328,091	4.4 %	\$ 2,861,969,978	\$ 2,824,885,708	\$ 37,084,270	1.3 %

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



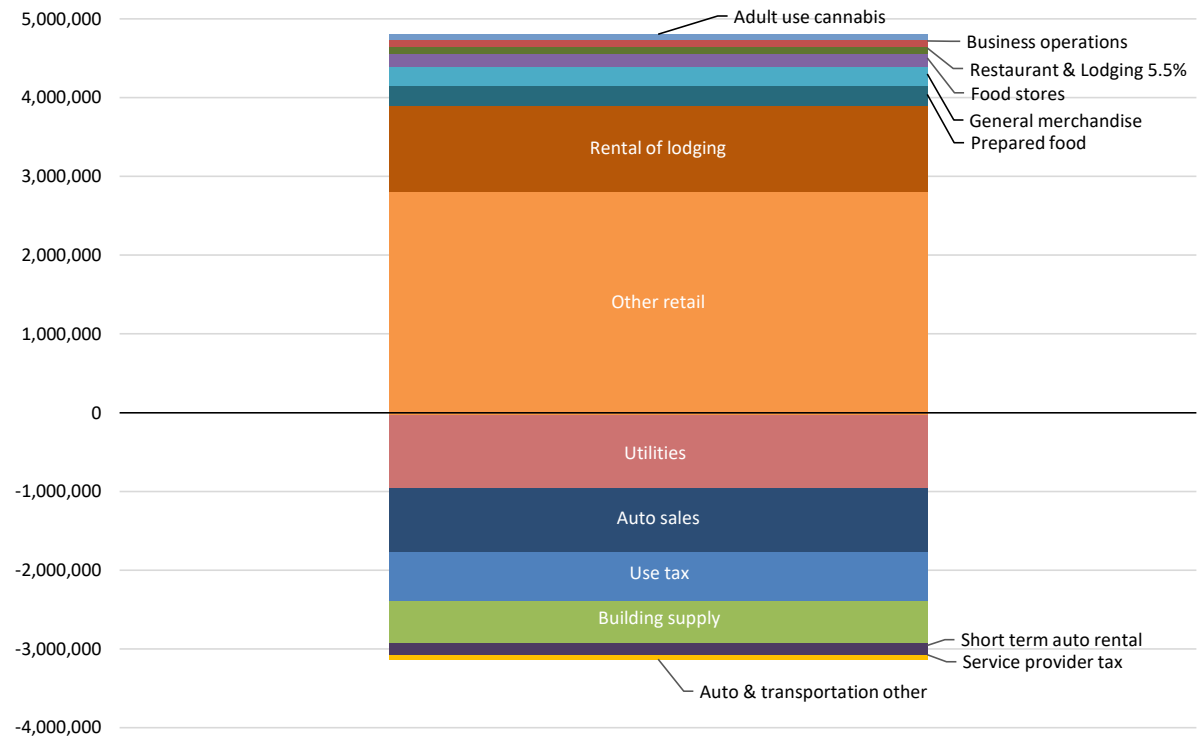
Forecast vs Actual Revenue (November – December revenue)

	Forecast	Actual Revenue	Variance	% Variance
Sales and Use	\$368.91	\$370.68	\$1.771	0.5%
SPT	\$6.41	\$6.67	\$0.260	4.1%
Tobacco Taxes	\$24.68	\$23.79	(\$0.885)	-3.6%
Gas Tax	\$33.37	\$32.85	(\$0.511)	-1.5%
Special Fuel Tax	\$9.65	\$9.64	(\$0.009)	-0.1%



Forecast vs. actual liability (October through November reporting period)

- Total Sales, Use and Service Provider Tax liability variance since December forecast is \$1,750,000, a 0.47% variance.
- Variance by category ranges from -\$905K for Utilities to +\$2.8 million for Other Retail.



Tobacco Taxes Breakdown

(November – December revenue)

	Forecast	Actual Revenue	Variance	% Variance
Cigarette tax	\$13.935	\$12.900	(\$1.035)	-7.4%
Tobacco products	\$7.505	\$7.786	\$0.281	3.7%
Cannabis excise	\$3.238	\$3.106	(\$0.132)	-4.1%



Individual Income Tax Withholding

- 6.5% withholding revenue growth in CY 2025
- Withholding growth from non-wage sources was particularly strong
- 2025 withholding revenue growth by source (all estimates)
 - 4.7% wage withholding for the current tax year
 - 81% of 2024 withholding
 - 21.6% pass-through entity withholding
 - 2% of 2024 withholding
 - 15.5% non-wage withholding, excluding PTE
 - 13.9% 2024 withholding
 - Withholding from retirement account distributions increased by \$36.8M (12.5%)



Corporate Income Tax

	Nov & Dec <u>Forecast</u>	Nov & Dec <u>Actual</u>	Nov & Dec <u>Variance</u>	Nov & Dec <u>% Variance</u>		Actual <u>July-Dec (FY25)</u>	Actual <u>July-Dec (FY26)</u>	<u>Growth</u>
Payments	\$75,771,121	\$75,458,793	-\$312,328	-0.4%	▼	\$41,993,075	\$57,724,049	37.5%
Estimated Payments					▼	\$194,168,765	\$142,402,280	-26.7%
Refunds	-\$9,538,260	-\$19,180,916	-\$9,642,656	101.1%	▼	-\$29,130,587	-\$33,033,671	13.4%
Total	\$66,232,861	\$56,277,877	-\$9,954,984	-15.0%		\$207,031,252	\$167,092,658	-19.3%



January GF Revenue as of 1/28 (MRS Tax Lines Only)

- Sales & Use and SPT – under budget for the month by \$17 million; all from sales tax (SPT is currently \$0.5 million over budget). December (January revenue) sample shows other retail sales continued to show moderate YOY growth while other categories were weak, particularly auto sales. Forecast assumed 4.2% YOY increase in January revenue.
- Individual Income Tax – \$38 million under budget for the month. \$35 million of that is from WH and \$11 is from refunds being over budget. Expect WH to be very close to budget for the month. Refunds is likely a timing issue. Final, estimated, and fiduciary payments are over budget by \$8 million. Assume most of that positive variance is from estimated payments; Final estimated payment for TY25 was due January 15th.
- Corporate Income Tax – under budget for the month by \$14 million. Payments are under budget by \$14 million and refunds are slightly under budget. January estimated payments are traditionally in the \$15-\$20 million range and as of this morning total payments are just under \$9 million.
- Estate is under budget by \$4 million and cigarette and tobacco products taxes are under by \$6 million.

