



Revenue Update & Preliminary Stress-Test Results

Maine Revenue Services – Office of Tax Policy
September 18, 2026

June FY26 General Fund Revenues Relative to Forecast

STATE OF MAINE

Undedicated Revenues - General Fund
For the Twelfth Month Ended June 30, 2026
For the Fiscal Year Ending June 30, 2026
Comparison to Budget

Exhibit I

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	\$ 220,795,503	\$ 206,566,730	\$ 14,228,773	6.9 %	\$ 2,392,353,934	\$ 2,377,162,344	\$ 15,191,590	0.6 %	\$ 2,377,162,344
Service Provider Tax	9,118	-	9,118	- %	26,576,712	26,605,597	(28,885)	(0.1)%	26,605,597
Individual Income Tax	304,429,975	285,690,042	18,739,933	6.6 %	2,843,502,379	2,799,948,320	43,554,059	1.6 %	2,799,948,320
Corporate Income Tax	67,833,062	57,018,284	10,814,778	19.0 %	368,725,205	350,939,998	17,785,207	5.1 %	350,939,998
Cigarette and Tobacco Tax	17,351,085	17,321,079	30,006	0.2 %	178,273,007	182,024,711	(3,751,704)	(2.1)%	182,024,711
Insurance Companies Tax	42,179,179	44,321,742	(2,142,563)	(4.8)%	133,903,225	134,311,000	(407,775)	(0.3)%	134,311,000
Estate Tax	1,070,511	5,118,595	(4,048,084)	(79.1)%	69,284,886	55,930,000	13,354,886	23.9 %	55,930,000
Fines, Forfeits & Penalties	2,549,187	887,722	1,661,465	187.2 %	21,044,507	16,927,729	4,116,778	24.3 %	16,927,729
Income from Investments	7,406,706	5,468,468	1,938,238	35.4 %	45,406,060	42,435,839	2,970,221	7.0 %	42,435,839
Transfer from Lottery Commission	6,356,761	6,000,000	356,761	5.9 %	83,143,461	78,000,000	5,143,461	6.6 %	78,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(41,973)	(2,394,469)	2,352,496	98.2 %	(82,041,801)	(83,682,000)	1,640,199	2.0 %	(83,682,000)
Transfer to Municipal Revenue Sharing	(24,441,418)	(19,648,679)	(4,792,739)	(24.4)%	(283,574,568)	(281,830,374)	(1,744,194)	(0.6)%	(281,830,374)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(118,509,077)	(0)	- %	(118,509,077)
Other Taxes and Fees	18,617,414	10,537,197	8,080,217	76.7 %	177,469,466	157,593,586	19,875,880	12.6 %	157,593,586
Other Revenues	25,313,333	24,134,742	1,178,591	4.9 %	5,169,615	3,804,907	1,364,708	35.9 %	3,804,907
Total Collected	\$ 689,428,443	\$ 641,021,453	\$ 48,406,990	7.6 %	\$ 5,867,727,009	\$ 5,748,662,580	\$ 119,064,429	2.1 %	\$ 5,748,662,580



June FY26 General Fund Revenues Relative to June FY25

STATE OF MAINE

Undedicated Revenues - General Fund

For the Twelfth Month Ended June 30, 2026 and 2025

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	\$ 220,795,503	\$ 203,877,545	\$ 16,917,957	8.3 %	\$ 2,392,353,934	\$ 2,313,905,686	\$ 78,448,248	3.4 %
Service Provider Tax	9,118	2,372,466	(2,363,348)	(99.6)%	26,576,712	44,955,028	(18,378,316)	(40.9)%
Individual Income Tax	304,429,975	278,413,828	26,016,147	9.3 %	2,843,502,379	2,723,971,330	119,531,048	4.4 %
Corporate Income Tax	67,833,062	68,736,942	(903,880)	(1.3)%	368,725,205	410,118,265	(41,393,060)	(10.1)%
Cigarette and Tobacco Tax	17,351,085	13,341,940	4,009,144	30.0 %	178,273,007	146,991,431	31,281,576	21.3 %
Insurance Companies Tax	42,179,179	41,014,612	1,164,568	2.8 %	133,903,225	130,061,226	3,841,999	3.0 %
Estate Tax	1,070,511	24,785,941	(23,715,430)	(95.7)%	69,284,886	85,835,306	(16,550,420)	(19.3)%
Fines, Forfeits & Penalties	2,549,187	1,472,644	1,076,543	73.1 %	21,044,507	11,407,044	9,637,463	84.5 %
Income from Investments	7,406,706	10,738,354	(3,331,648)	(31.0)%	45,406,060	68,540,223	(23,134,163)	(33.8)%
Transfer from Lottery Commission	6,356,761	7,399,746	(1,042,984)	(14.1)%	83,143,461	79,213,334	3,930,127	5.0 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %
Transfers for Tax Relief Programs	(41,973)	(329,957)	287,984	87.3 %	(82,041,801)	(87,989,058)	5,947,258	6.8 %
Transfer to Municipal Revenue Sharing	(24,441,418)	(24,956,575)	515,157	2.1 %	(283,574,568)	(278,823,748)	(4,750,820)	(1.7)%
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(115,811,095)	(2,697,983)	(2.3)%
Other Taxes and Fees	18,617,414	23,138,119	(4,520,704)	(19.5)%	177,469,466	163,813,189	13,656,278	8.3 %
Other Revenues	25,313,333	23,153,176	2,160,157	9.3 %	5,169,615	19,217,683	(14,048,068)	(73.1)%
Total Collected	\$ 689,428,443	\$ 673,158,781	\$ 16,269,662	2.4 %	\$ 5,867,727,009	\$ 5,722,405,843	\$ 145,321,166	2.5 %



August FY27 General Fund Revenues Relative to Forecast

STATE OF MAINE
Undedicated Revenues - General Fund
For the Second Month Ended August 31, 2026
For the Fiscal Year Ending June 30, 2027
Comparison to Budget

Exhibit I

PRELIMINARY AND TENTATIVE
FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2027
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 256,837,191	\$ 245,415,390	\$ 11,421,801	4.7 %	\$ 500,417,153	\$ 487,888,850	\$ 12,528,303	2.6 %	\$ 2,440,468,050
Service Provider Tax	16,278	-	16,278	- %	38,511	-	38,511	- %	-
Individual Income Tax	211,561,001	247,227,664	(35,666,663)	(14.4)%	434,160,874	449,189,281	(15,028,407)	(3.3)%	2,986,229,207
Corporate Income Tax	11,857,338	(911,296)	12,768,634	1,401.2 %	38,411,201	24,523,835	13,887,366	56.6 %	365,552,998
Cigarette and Tobacco Tax	18,490,631	20,220,451	(1,729,820)	(8.6)%	39,948,084	41,166,838	(1,218,754)	(3.0)%	216,866,603
Insurance Companies Tax	45,533	11,332	34,201	301.8 %	1,061,644	549,947	511,697	93.0 %	139,494,000
Estate Tax	4,515,128	4,250,000	265,128	6.2 %	4,463,728	8,500,000	(4,036,272)	(47.5)%	50,200,000
Fines, Forfeits & Penalties	1,649,351	196,600	1,452,751	738.9 %	2,652,769	4,111,228	(1,458,459)	(35.5)%	16,311,150
Income from Investments	3,891,558	3,839,673	51,885	1.4 %	3,891,558	3,839,673	51,885	1.4 %	34,138,748
Transfer from Lottery Commission	8,240,014	7,201,094	1,038,920	14.4 %	14,336,409	12,961,969	1,374,440	10.6 %	74,891,377
Transfer from Liquor Commission	2,324,758	2,089,710	235,048	11.2 %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(464,428)	(1,304,206)	839,778	64.4 %	(465,606)	(958,915)	493,309	51.4 %	(86,950,000)
Transfer to Municipal Revenue Sharing	(24,637,797)	(23,826,850)	(810,947)	(3.4)%	(54,291,179)	(51,225,669)	(3,065,510)	(6.0)%	(293,348,913)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(59,385,328)	(57,330,019)	(2,055,309)	(3.6)%	(115,295,974)
Other Taxes and Fees	20,454,284	16,682,120	3,772,164	22.6 %	35,521,599	29,979,658	5,541,941	18.5 %	151,385,893
Other Revenues	3,932,779	1,977,913	1,954,866	98.8 %	(25,461,771)	(23,337,202)	(2,124,569)	(9.1)%	(4,916,289)
Total Collected	\$ 518,713,619	\$ 523,069,595	\$ (4,355,976)	(0.8)%	\$ 942,299,646	\$ 936,859,474	\$ 5,440,172	0.6 %	\$ 5,982,026,850



August FY27 General Fund Revenues Relative to August FY26

STATE OF MAINE

Undedicated Revenues - General Fund

For the Second Month Ended August 31, 2026 and 2025

For the Fiscal Year Ending June 30, 2027 and 2026

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	\$ 256,837,191	\$ 237,504,275	\$ 19,332,915	8.1 %	\$ 500,417,153	\$ 467,311,487	\$ 33,105,665	7.1 %
Service Provider Tax	16,278	3,513,005	(3,496,727)	(99.5)%	38,511	9,282,785	(9,244,274)	(99.6)%
Individual Income Tax	211,561,001	237,839,319	(26,278,318)	(11.0)%	434,160,874	433,207,836	953,038	0.2 %
Corporate Income Tax	11,857,338	(911,296)	12,768,634	1,401.2 %	38,411,201	24,523,834	13,887,367	56.6 %
Cigarette and Tobacco Tax	18,490,631	13,025,821	5,464,810	42.0 %	39,948,084	28,266,187	11,681,896	41.3 %
Insurance Companies Tax	45,533	(287,632)	333,165	115.8 %	1,061,644	332,976	728,669	218.8 %
Estate Tax	4,515,128	5,500,429	(985,301)	(17.9)%	4,463,728	7,869,453	(3,405,725)	(43.3)%
Fines, Forfeits & Penalties	1,649,351	1,872,684	(223,333)	(11.9)%	2,652,769	3,060,652	(407,883)	(13.3)%
Income from Investments	3,891,558	4,736,217	(844,658)	(17.8)%	3,891,558	4,736,217	(844,658)	(17.8)%
Transfer from Lottery Commission	8,240,014	9,544,880	(1,304,866)	(13.7)%	14,336,409	15,561,329	(1,224,920)	(7.9)%
Transfer from Liquor Commission	2,324,758	2,636,730	(311,972)	(11.8)%	7,000,000	7,000,000	-	%
Transfers for Tax Relief Programs	(464,428)	(1,277,059)	812,631	63.6 %	(465,606)	(938,955)	473,349	50.4 %
Transfer to Municipal Revenue Sharing	(24,637,797)	(22,819,032)	(1,818,765)	(8.0)%	(54,291,179)	(50,489,071)	(3,802,108)	(7.5)%
Auto Sales Tax Transfer to Highway Fund	-	-	-	%	(59,385,328)	(59,907,966)	522,638	0.9 %
Other Taxes and Fees	20,454,284	14,496,865	5,957,419	41.1 %	35,521,599	28,991,811	6,529,789	22.5 %
Other Revenues	3,932,779	2,417,614	1,515,165	62.7 %	(25,461,771)	(23,590,882)	(1,870,888)	(7.9)%
Total Collected	\$ 518,713,619	\$ 507,792,819	\$ 10,920,800	2.2 %	\$ 942,299,646	\$ 895,217,693	\$ 47,081,953	5.3 %

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



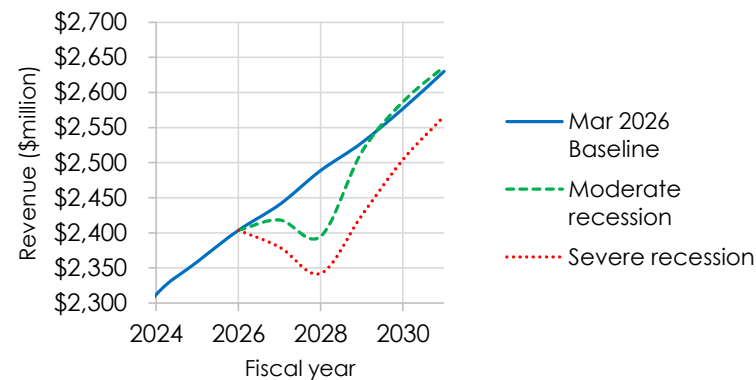


Preliminary Stress Test Results

Total Sales & Use Tax Revenue Projections

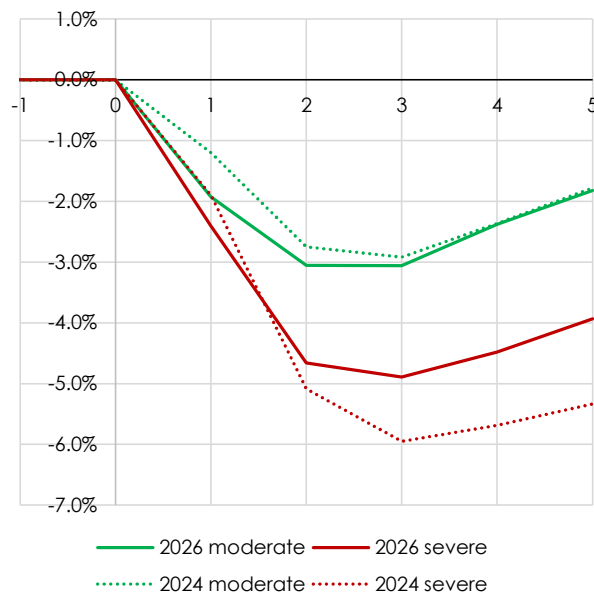
Fiscal year	Revenue			Difference		% difference	
	Baseline	Moderate recession	Severe recession	Moderate recession	Severe recession	Moderate recession	Severe recession
2026	\$ 2,403,767,940	\$ 2,403,767,940	\$ 2,403,767,040	-	-	-	-
2027	\$ 2,440,502,550	\$ 2,418,351,278	\$ 2,379,771,203	\$(22,151,272)	\$ (60,731,348)	-0.9%	-2.5%
2028	\$ 2,488,959,580	\$ 2,395,160,172	\$ 2,342,339,819	\$(93,799,408)	\$ (146,619,762)	-3.8%	-5.9%
2029	\$ 2,528,285,349	\$ 2,515,121,747	\$ 2,424,843,974	\$(13,163,602)	\$ (103,441,375)	-0.5%	-4.1%
2030	\$ 2,576,926,704	\$ 2,586,753,634	\$ 2,504,194,647	\$ 9,826,930	\$ (72,732,057)	0.4%	-2.8%
2031	\$ 2,629,987,826	\$ 2,636,630,766	\$ 2,565,913,865	\$ 6,642,940	\$ (64,073,961)	0.3%	-2.4%

Total sales and use tax

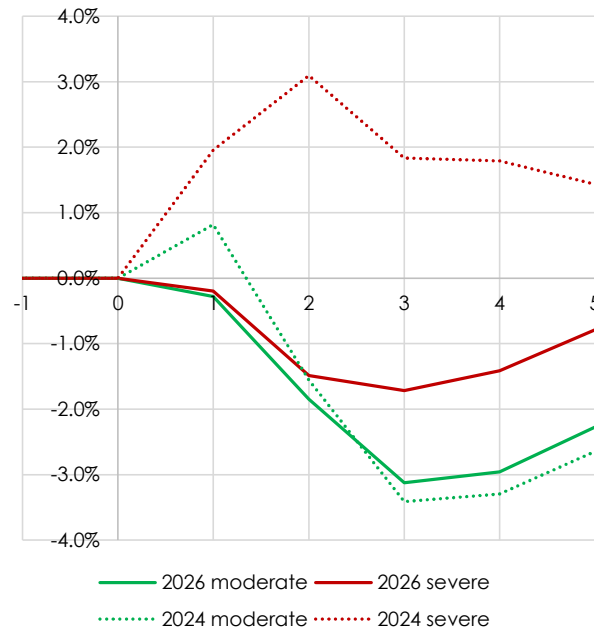


Stress Test Scenarios

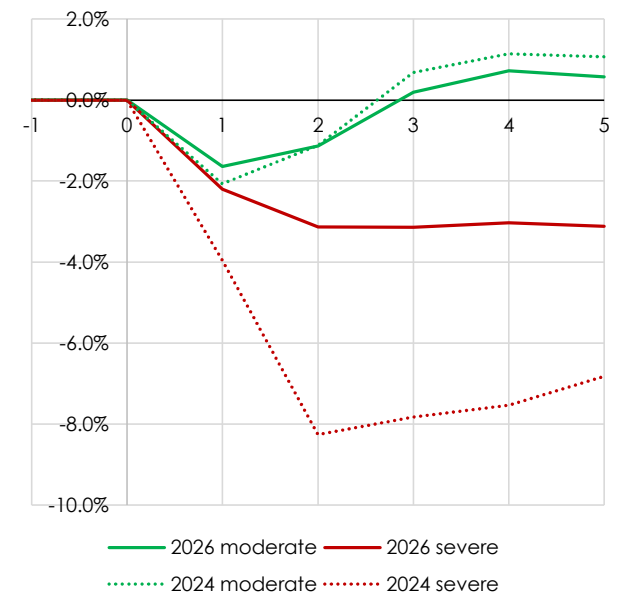
Personal Income Relative to Baseline



Saving Rate Relative to Baseline



Personal Income*(1-Saving Rate) Relative to Baseline

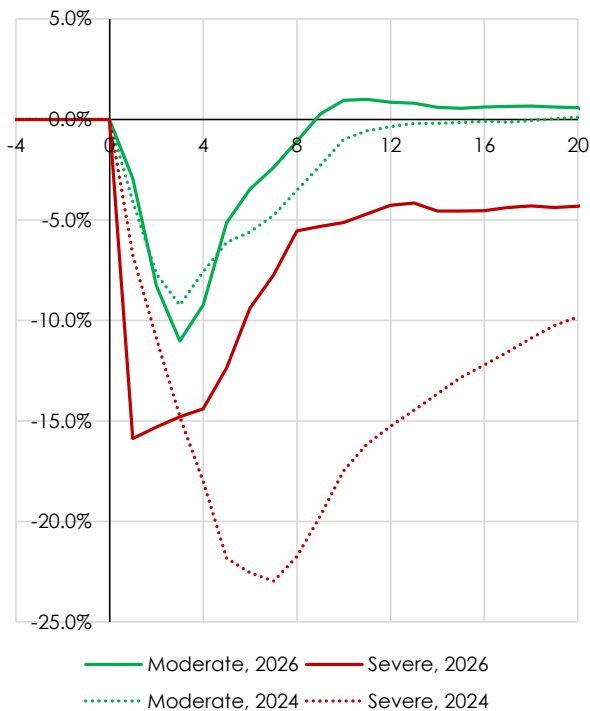


- Slightly less severe decreases in personal income compared to 2024 Stress Test.
- 2024 scenarios had lower inflation relative to the baseline. In 2026 scenarios inflation is higher, preventing the increase in saving rates that we saw in the 2024 severe recession scenario.
- Implied change in spending is similar for the moderate scenario, but much less extreme in the severe scenario due to the differences in saving rate response.

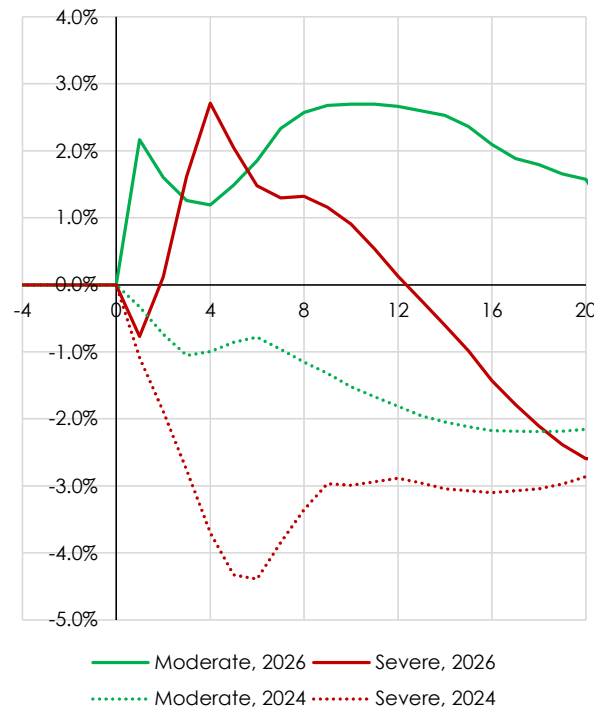


Nominal PCE % change relative to baseline

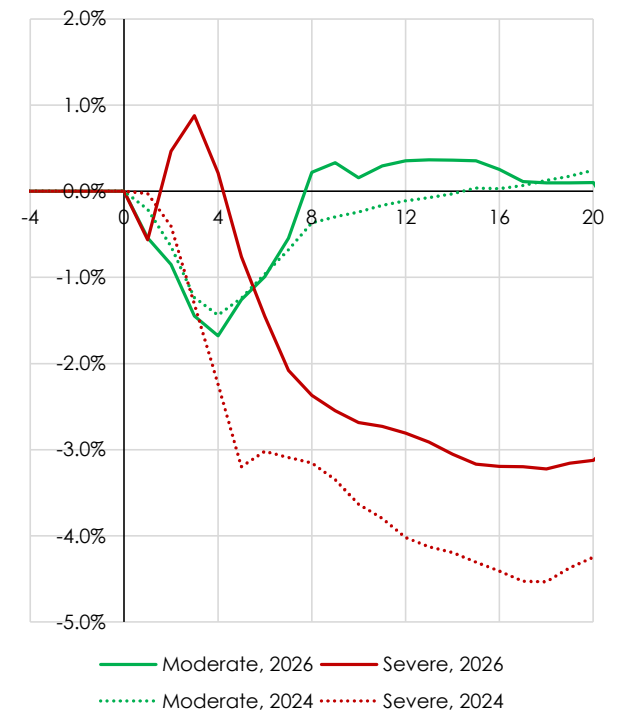
Durable goods PCE



Nondurable goods PCE



Services PCE

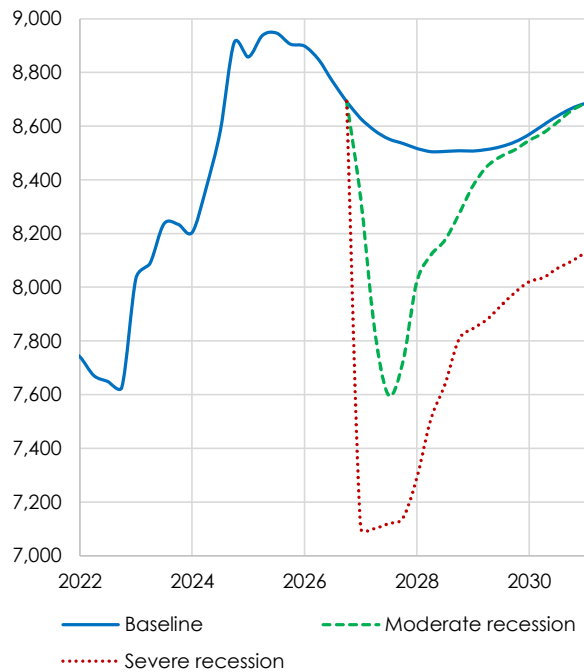


- Large drop in durable goods, especially *Motor Vehicles & Parts*
- Increases in Nondurable Goods, largest in *Off-Premises Food & Beverages*
- Relatively small drop in services (biggest drop in *Food Services & Accommodations*)

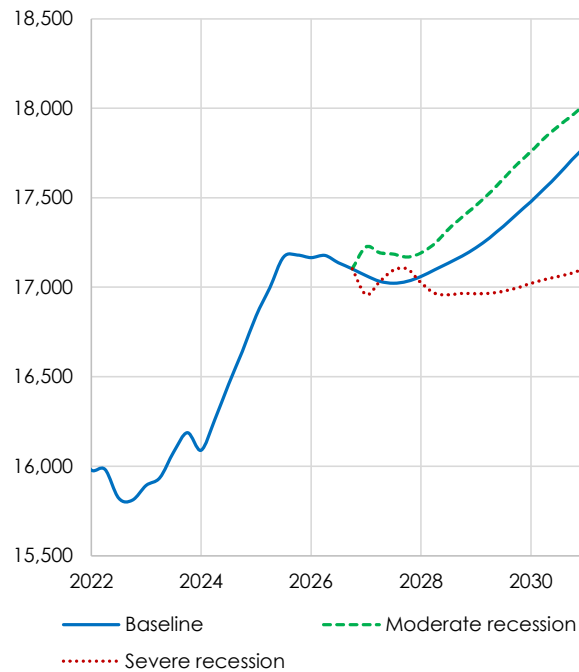


Real PCE

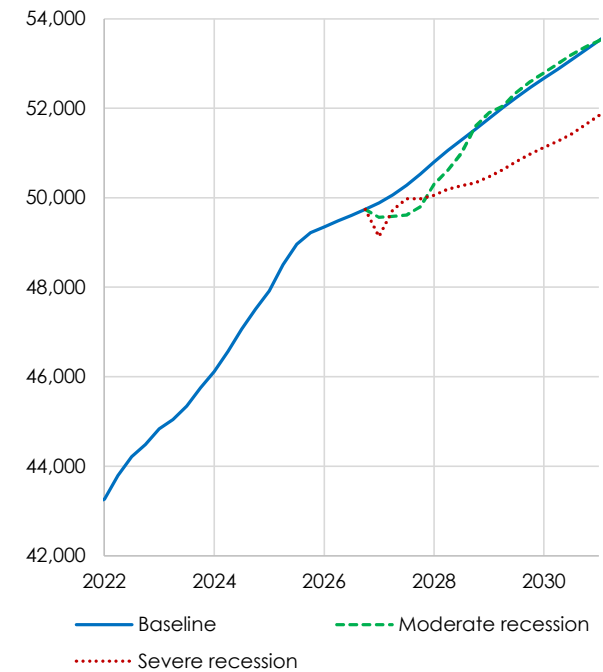
Durable goods



Nondurable goods



Services



- After adjusting for inflation using PCE deflators, trends in durable goods and services are similar, but the increase in nondurable goods spending in the severe recession scenario is price-driven.



Revenue change by category (\$ million)

Category	Moderate recession	Severe recession
Prepared Food	-40.24	-98.53
Auto Sales	-30.38	-74.11
Building supplies	-20.43	-81.28
Other retail	-19.23	-113.69
Lodging	-14.69	-35.23
Auto other	-5.70	-14.80
Business operations	-3.44	-28.73
Restaurant & lodging other	-0.94	-2.32
Adult use cannabis	-0.50	-3.54
Short-term auto rental	-0.09	-2.11
Use	0.00	0.03
Utilities	1.62	-3.24
Food stores	9.19	6.59
General merchandise	12.18	1.93

- Total revenue loss through FY2031 by category
- Biggest losses in Prepared Food, Auto Sales, Building Supplies, Other Retail, and Lodging Rental



Auto Sales Tax Transfer

Fiscal year	Auto Sales Tax Transfer (HWF + TransCap)			Difference	
	Baseline	Moderate recession	Severe recession	Moderate recession	Severe recession
2026	\$118,509,077	\$118,509,077	\$ 118,509,077	-	-
2027	\$115,295,974	\$115,295,974	\$ 115,295,974	-	-
2028	\$117,250,293	\$114,164,795	\$ 110,354,775	\$ (3,085,498)	\$ (6,895,519)
2029	\$118,073,614	\$107,887,889	\$ 103,093,332	\$ (10,185,725)	\$ (14,980,282)
2030	\$118,480,506	\$118,805,797	\$ 115,567,198	\$ 325,291	\$ (2,913,308)
2031	\$119,271,457	\$120,358,316	\$ 117,837,312	\$ 1,086,859	\$ (1,434,146)

- Moderate recession scenario—\$11.9 million total decrease in Auto Sales Tax transfer through FY0231.
- Severe recession scenario—\$26.2 million total decrease in Auto Sales Tax transfer through FY0231.



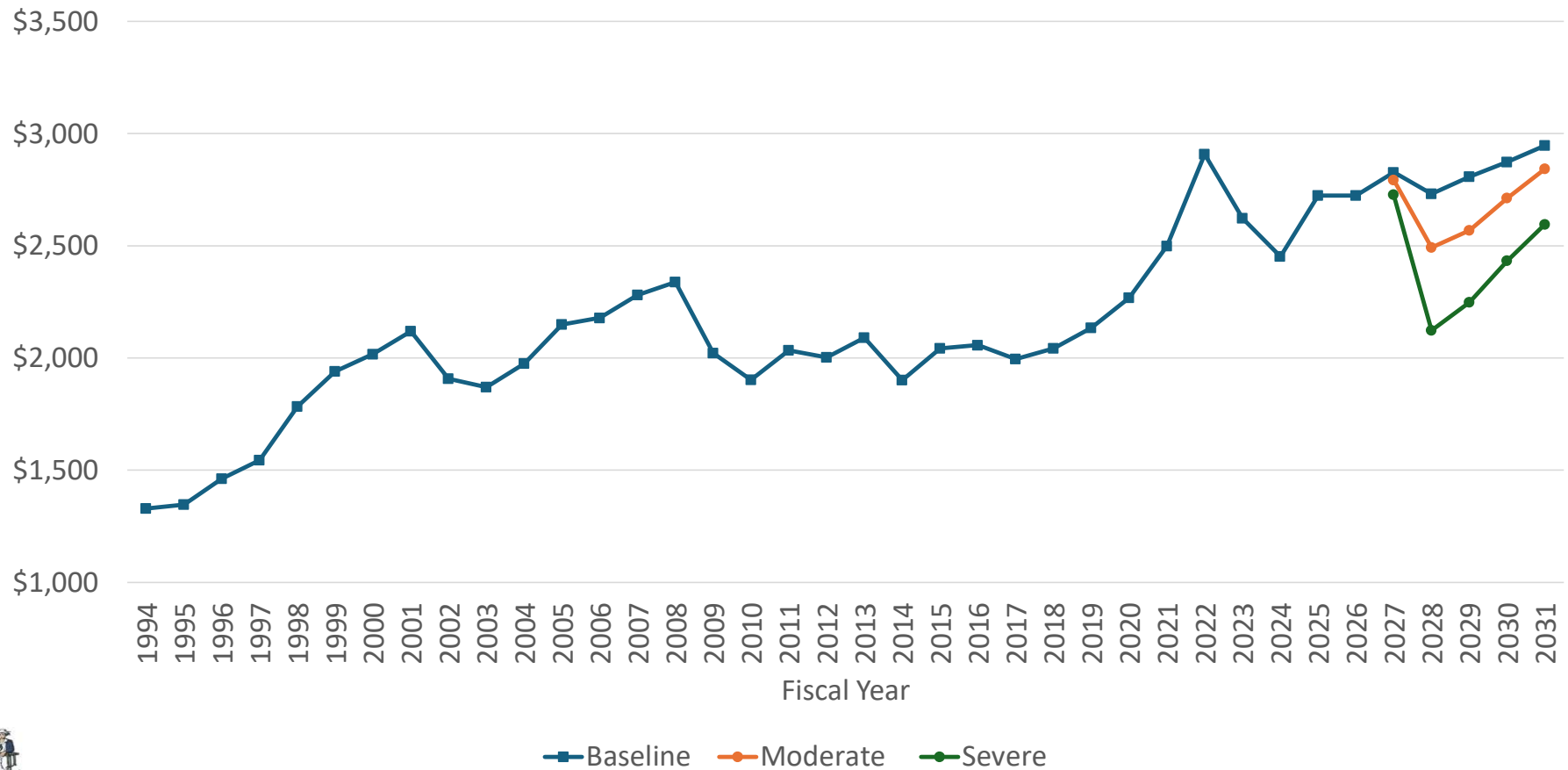
Individual Income Tax

Fiscal year	Revenue (\$million)			Difference		% Difference	
	Baseline	Moderate recession	Severe recession	Moderate recession	Severe recession	Moderate recession	Severe recession
2026*	2,799.9	2,799.9	2,799.9				
2027	2,986.2	2,951.8	2,888.3	-34.4	-97.9	-1.2%	-3.3%
2028	2,960.4	2,707.4	2,314.2	-253.0	-646.1	-8.5%	-21.8%
2029	3,109.0	2,849.1	2,486.3	-259.9	-622.7	-8.4%	-20.0%
2030	3,248.9	3,078.5	2,755.7	-170.3	-493.2	-5.2%	-15.2%
2031	3,401.6	3,297.8	3,005.9	-103.8	-395.7	-3.1%	-11.6%

*March 1st RFC forecast. Fiscal year 2026 revenue was \$2,844 million.



Individual Income Tax Inflation-Adjusted Revenue, \$FY 2025



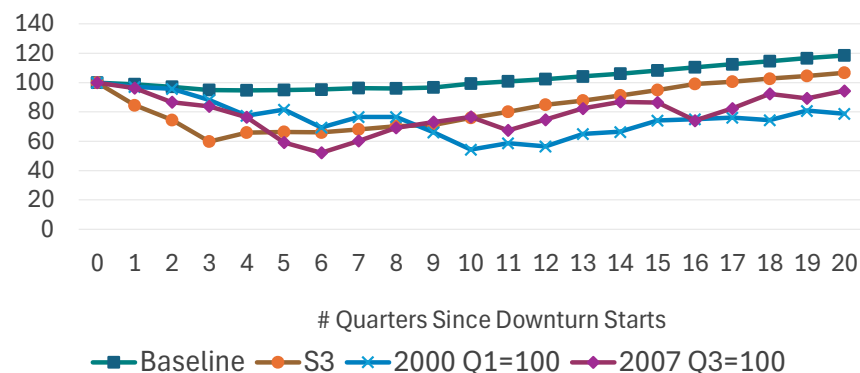
Wage Income, CEFC Forecast and Recession Scenarios

Calendar year	Wage income (\$million)			Difference		% difference	
	Baseline	Moderate recession	Severe recession	Moderate recession	Severe recession	Moderate recession	Severe recession
2026	47,403	47,403	47,403	0	0	0.0%	0.0%
2027	49,062	47,214	47,835	-1,848	-1,227	-3.8%	-2.6%
2028	50,779	48,469	48,916	-2,310	-1,863	-4.5%	-3.8%
2029	52,455	50,681	50,690	-1,774	-1,765	-3.4%	-3.5%
2030	54,186	52,824	52,373	-1,362	-1,813	-2.5%	-3.4%
2031	55,866	54,863	54,097	-1,002	-1,769	-1.8%	-3.2%

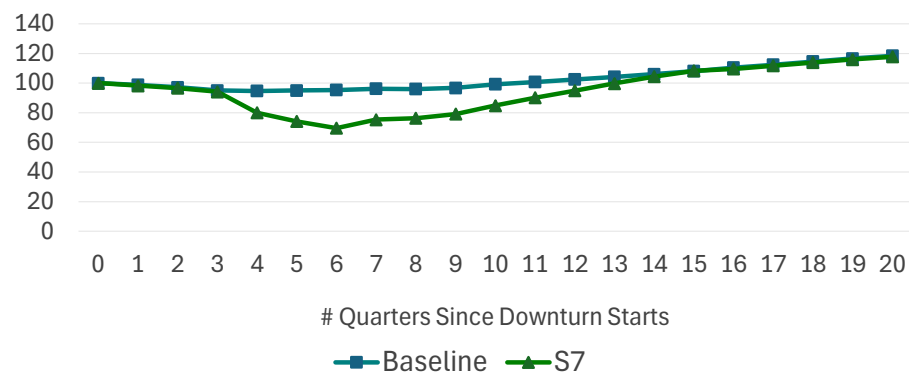


S&P 500, Moody's January 2026 Baseline, S3, and S7 Scenarios

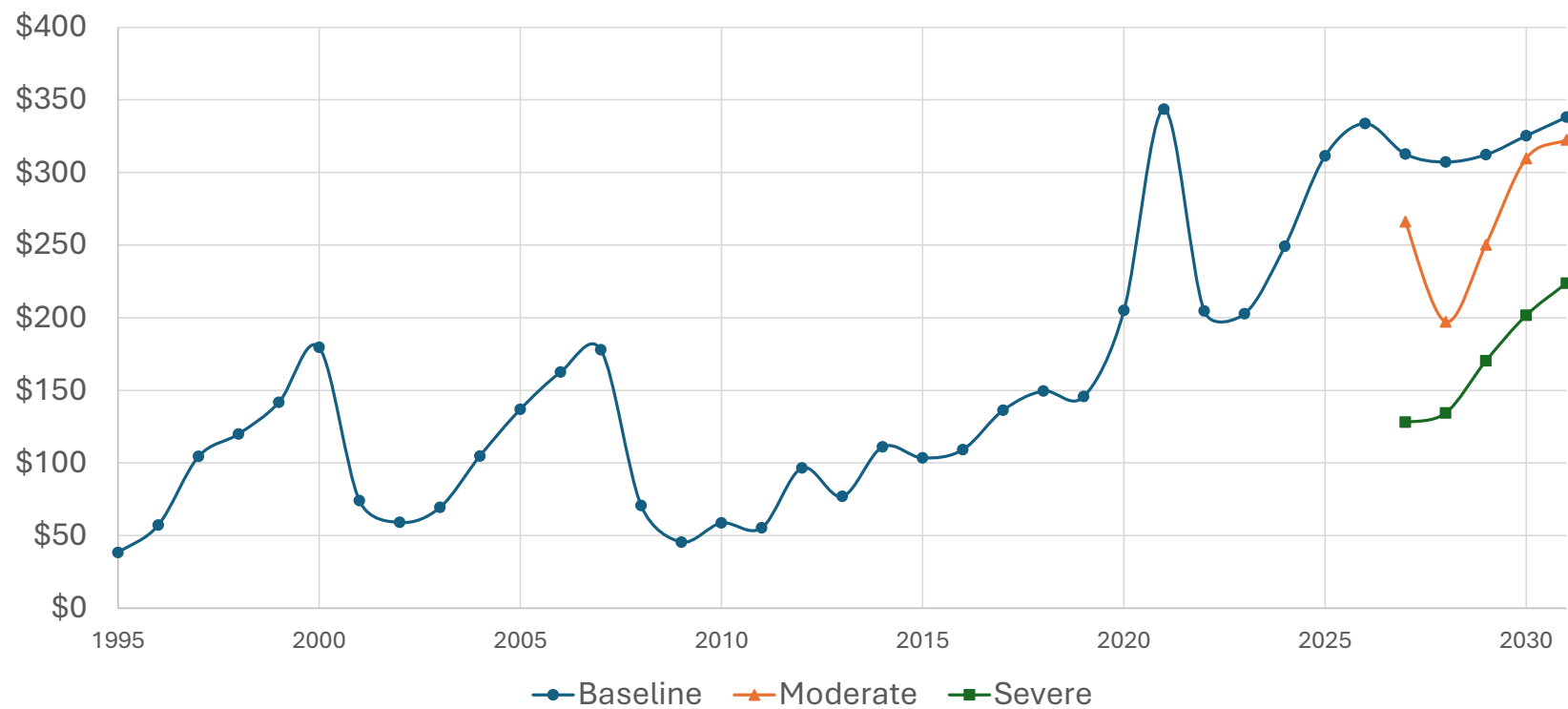
S&P 500 End of Quarter : Baseline, S3, and Prior Bear Markets (Period 0 =100)



S&P 500 End of Quarter: Baseline and S7 (Period 0 =100)



Capital Gains Tax Liability, Full-Year Residents (\$million)



Individual Income Tax

- Federal response
 - Moody's assumed no federal response in both January recession scenarios due to Congressional gridlock.
- Refundable credits forecast similar across baseline and recession scenarios
 - Projected \$415 million in 2027 (excluding PTET credit), which is 13% of tax liability before refundable credits
 - \$4 million in 2008 (or \$51.5 million if include Circuit Breaker)



Corporate Income Tax



General Fund Revenues – Recession Scenarios

Total General Fund						
Fiscal Years		2027	2028	2029	2030	2031
March 2026 RFC Forecast		\$5,982.0	\$5,998.4	\$6,158.5	\$6,358.6	\$6,580.6
Moderate Recession Forecast		\$5,929.3	\$5,669.6	\$5,908.8	\$6,210.2	\$6,493.9
Variance		(\$52.8)	(\$328.8)	(\$249.8)	(\$148.3)	(\$86.8)
Percent Change		-0.9%	-5.5%	-4.1%	-2.3%	-1.3%

Fiscal Years		2027	2028	2029	2030	2031
March 2026 RFC Forecast		\$5,982.0	\$5,998.4	\$6,158.5	\$6,358.6	\$6,580.6
Severe Recession Forecast		\$5,796.2	\$5,140.6	\$5,362.4	\$5,713.1	\$6,041.3
Variance		(\$185.8)	(\$857.8)	(\$796.1)	(\$645.4)	(\$539.4)
Percent Change		-3.1%	-14.3%	-12.9%	-10.2%	-8.2%



Budget Stabilization Fund Sufficiency

General Fund Appropriation Limitation and Sufficiency of the Maine Budget Stabilization Fund (Moderate Recession)

Fiscal Years	2026	2027	2028	2029	2030	2031
Effective Spending Limitation as of 10/1/26 /1		\$6,179.0	\$5,998.4	\$6,158.5	\$6,358.6	\$6,580.6
Revenues/Budgeted Resources Minus Appropriations Limitation /2		(\$50.4)	(\$331.2)	(\$249.8)	(\$148.3)	(\$86.8)
Budget Stabilization Fund at Fiscal Year End /3	\$759.9	\$709.5	\$378.3	\$128.6	\$62.1	\$64.9

General Fund Appropriation Limitation and Sufficiency of the Maine Budget Stabilization Fund (Severe Recession)

Fiscal Years	2026	2027	2028	2029	2030	2031
Effective Spending Limitation as of 10/1/26 /1		\$6,179.0	\$5,998.4	\$6,158.5	\$6,358.6	\$6,580.6
Revenues/Resources Minus Appropriations Limitation /2		(\$185.8)	(\$857.8)	(\$796.1)	(\$645.4)	(\$539.4)
Budget Stabilization Fund at Fiscal Year End	\$759.9	\$574.0	\$51.4	\$53.6	\$57.1	\$60.4

1/ Calculated as the minimum of the GF Appropriation Limit or the baseline GF revenue forecast. For FY27 the spending limitation is the GF appropriation as of 10/1/26 .

2/ GF total budgeted resources of \$6182.0 million reduced by the change in the revenue forecast is used in FY27.

3/ FY26 year-end BSF is after transfers per the FY26/27 Supplemental Budget (PL 2025, c.650 (LD 2212))

