



STATE OF MAINE
EXECUTIVE DEPARTMENT
STATE PLANNING OFFICE
38 STATE HOUSE STATION AUGUSTA, MAINE 04333

JOHN ELIAS BALDACCI
GOVERNOR

TIM GLIDDEN
ACTING DIRECTOR

TO: Municipal and County Officials
FROM: Maine State Planning Office
DATE: September 20, 2010
RE: **Next Year's LD 1 Average Personal Income Growth is 1.66%**

With the passage of "LD 1" in 2005, towns and counties are required to calculate a property tax levy limit each year based on local property growth and statewide average personal income growth. Each town and county is responsible for calculating its property growth using the most recent valuation data available. The State Planning Office (SPO) is responsible for calculating income growth. For the purpose of calculating municipal property tax levy limits for next year's municipal budgets (the 1/1/2011 - 12/31/2011 budget year for municipalities on a calendar-year budget or the 7/1/2011 - 6/30/2012 budget year for municipalities on a fiscal-year budget), SPO has determined average personal income growth to be 1.66%. The table below shows how this figure was calculated.

Calculation of Maine's "Average Personal Income Growth"

Calendar Year	Nominal Personal Income (thousands)	% Change	CPI-U	% Change	Real Personal Income
1999	\$31,861,827		166.6		
2000	\$34,096,690	7.01%	172.2	3.36%	3.65%
2001	\$36,232,131	6.26%	177.1	2.85%	3.42%
2002	\$37,383,244	3.18%	179.9	1.58%	1.60%
2003	\$39,000,530	4.33%	184.0	2.28%	2.05%
2004	\$41,164,305	5.55%	188.9	2.66%	2.89%
2005	\$41,981,794	1.99%	195.3	3.39%	-1.40%
2006	\$44,307,181	5.54%	201.6	3.23%	2.31%
2007	\$46,357,695	4.63%	207.3	2.85%	1.78%
2008	\$48,200,182	3.97%	215.3	3.84%	0.13%
2009	\$48,089,690	-0.23%	214.5	-0.36%	0.13%
AVERAGE					1.66%

Sources: U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics

This calculation reflects the methodology described in LD 1, which is now Public Law 2005, Chapter 2: **"Average real personal income growth"** means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis, less the percent change in the Consumer Price Index for the calendar year." 2009 is currently the most recent year for which data is available.