



Revenue Update

Maine Revenue Services – Office of Tax Policy
September 8, 2025

Fiscal Year 2025 Revenue Variance and Prior Year Comparison

	2024	2025	Growth	Variance
Individual Income Tax*	\$2,389.0	\$2,724.0	14.0%	\$28.2
Corporate Income Tax	\$459.8	\$410.1	-10.8%	\$42.1
Sales Tax	\$2,262.2	\$2,313.9	2.3%	\$4.0
Service Provider Tax	\$49.6	\$45.0	-9.4%	-\$1.0
Tobacco + Cannabis Excise Taxes	\$144.1	\$147.0	2.0%	-\$2.7
Insurance Premiums Tax	\$108.4	\$130.1	19.9%	-\$2.4
Estate Tax	\$29.1	\$85.8	195.5%	\$34.0
Total*	\$5,442.2	\$5,855.8	7.6%	\$102.2
General Fund Total*	\$5,352.8	\$5,722.4	6.9%	\$117.6

*Without payment deadline extensions, revenue growth would have been approximately :

Individual income tax: 6.7%

General Fund revenue: 3.7%



Fiscal Year 2026 Revenue Through August Variance and Prior Year Comparison

	2025	2026	Growth	Variance
Individual Income Tax*	\$475.3	\$433.2	-8.9%	\$27.4
Corporate Income Tax	\$32.0	\$24.5	-23.4%	\$4.0
Sales Tax	\$452.3	\$467.3	3.3%	\$9.9
Service Provider Tax	\$8.0	\$9.3	15.7%	\$1.8
Tobacco + Cannabis Excise Taxes	\$26.0	\$28.3	8.6%	\$0.7
Insurance Premiums Tax	\$1.8	\$0.3	-81.5%	-\$0.4
Estate Tax	\$9.9	\$7.9	-20.8%	\$0.9
Total*	\$1,005.4	\$970.8	-3.4%	\$44.2

*Without payment deadline extensions, revenue growth would have been approximately :

Individual income tax: 11%

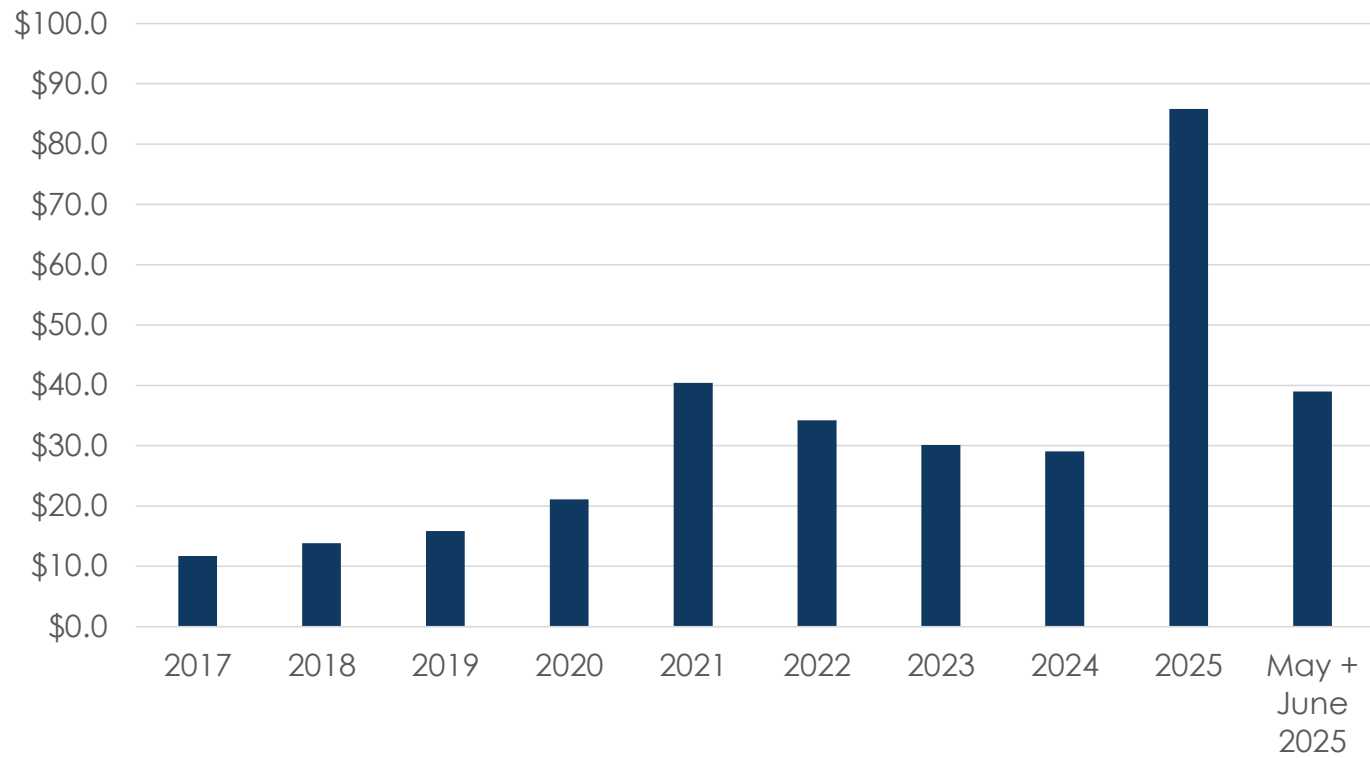
Total, large MRS-administered revenues: 5.5%

August revenue is preliminary.

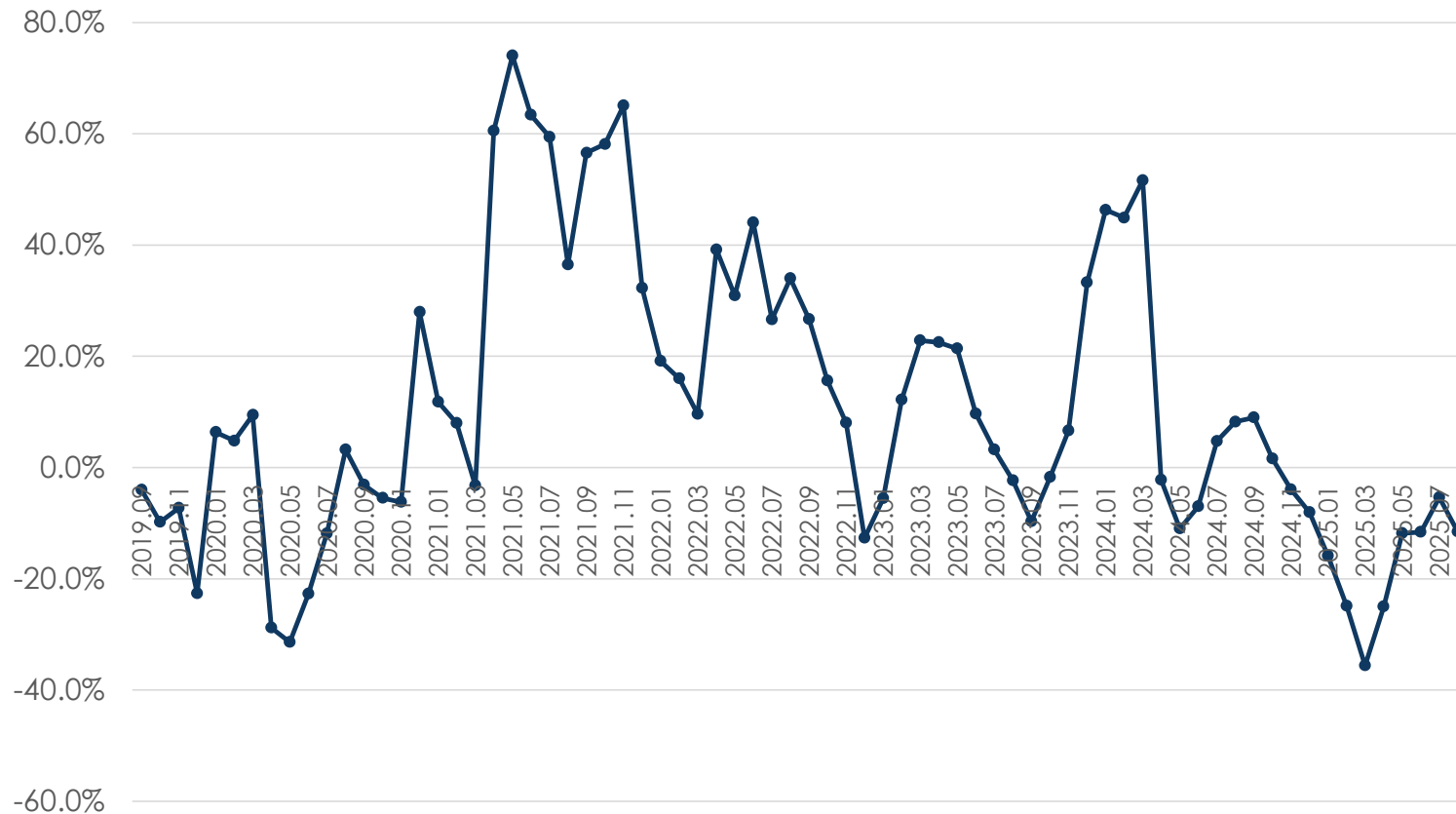


Estate Tax Revenue by Fiscal Year

(\$million)



Corporate Income Tax Payment Revenue: YoY Growth in 3-Month Moving Average



Individual Income Tax Withholding Calendar Year to Date Through August

- \$39.5M withholding variance since forecast (71.1% of IIT variance)
- Withholding has increased 6.8% CYTD through August and 7.4% YoY May – August (post-forecast period)
- Withholding revenue growth by source
 - 4.9% (estimated) wage withholding for the current tax year
 - 78.6% if Jan. – Aug. 2024 withholding
 - 10% pass-through entity withholding
 - 2.4% of Jan. – Aug. 2024 withholding
 - 14.8% (estimated) non-wage withholding, excluding PTE
 - 13.9% of Jan. – Aug. 2024 withholding
 - Withholding from retirement account distribution increased by \$23M (12.4%)



Forecast vs Actual Revenue

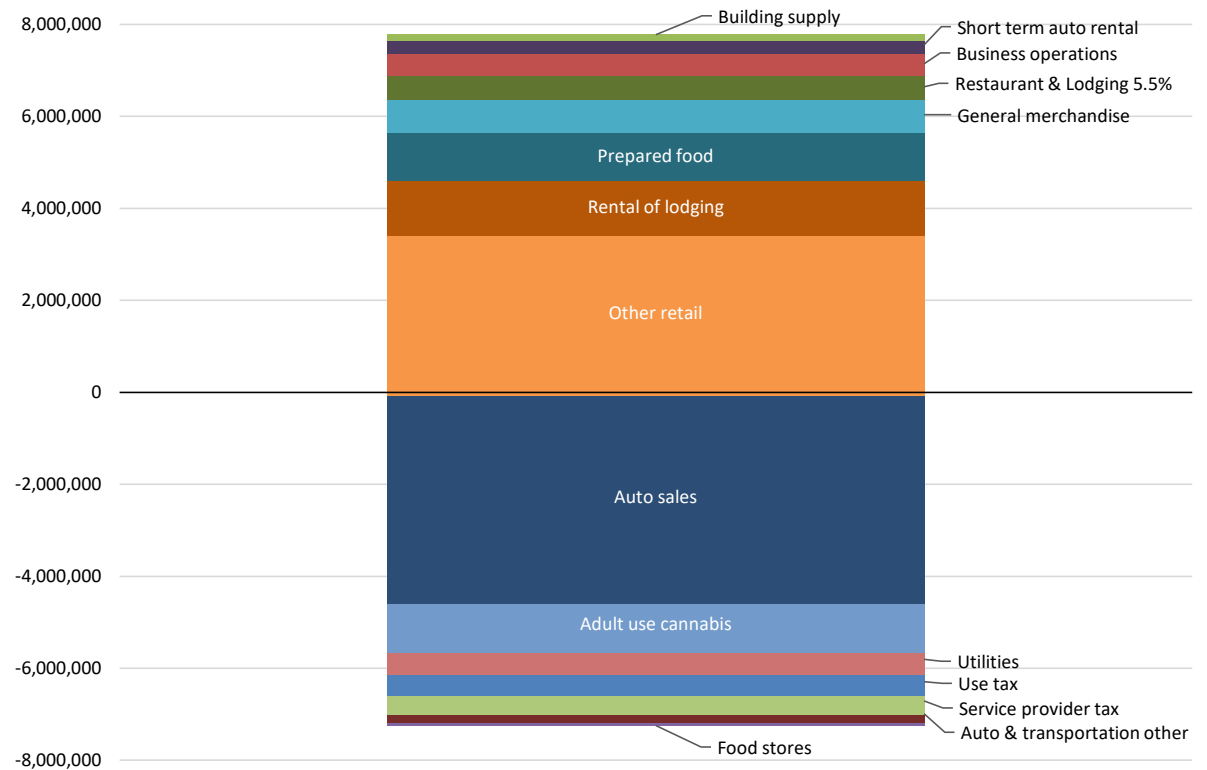
(April – July final revenue and preliminary August revenue)

	Forecast	Actual Revenue	Variance	% Variance
Sales and Use	\$1,005.01	\$1,018.84	\$13.828	1.4%
SPT	\$18.49	\$19.27	\$0.784	4.2%
Tobacco Taxes	\$67.39	\$65.34	(\$2.046)	-3.0%
Gas Tax	\$84.82	\$85.15	\$0.334	0.4%
Special Fuel Tax	\$21.87	\$23.55	\$1.671	7.6%



Forecast vs. actual liability (March through July reporting periods)

- Total Sales, Use and Service Provider Tax liability variance since May forecast is \$532,000, a 0.05% variance.
- Variance by category ranges from -\$4.5 million for Auto Sales to +\$3.5 million for Other Retail.



Tobacco Taxes Breakdown

	Forecast	Actual Revenue	Variance	% Variance
Cigarette tax	\$43.509	\$41.437	(\$2.072)	-4.8%
Tobacco products	\$15.797	\$16.394	\$0.597	3.8%
Cannabis excise	\$8.080	\$7.510	(\$0.570)	-7.1%

