

## FOR IMMEDIATE RELEASE

Maine Department of Administrative and Financial Services  
November 19, 2020 | Contact: [Kelsey Goldsmith](#)

### **DAFS: October Revenues Top Revised Targets as COVID-19 Relief Sunsets**

**AUGUSTA, Maine** – The October revenue report released today by the Department of Administrative and Financial Services (DAFS) shows Maine’s revenues to the General Fund are beating expectations by \$146.3 million for the first four months of the fiscal year, thanks in part to federal stimulus allocated to Maine in the Spring. Fiscal year-to-date revenues are up 11.8 percent compared to expectations, but continue to underperform compared to the same four-month period last fiscal year.

“This summer, in response to economic challenges posed by the ongoing coronavirus pandemic in Maine and across the country, Maine’s Revenue Forecasting Committee significantly lowered our revenue expectations. Since then, State revenues have exceeded that revised forecast thanks in large part to Congress’s provision of federal support, including enhanced unemployment benefits and individual stimulus checks to households, as well as a strong virus response and good, bipartisan fiscal management by Governor Mills and the Legislature,” **said Commissioner Kirsten Figueroa of DAFS.**

October revenues from sales and use and service provider taxes, combined, were \$29.4 million over budget for the month, with consumer sales increasing by 13.9 percent over a year ago, even in spite of lodging and restaurant sales decreasing by 17.6 and 15.9 percent respectively due to the impacts of COVID-19. General merchandise stores increased 4.5 percent year-over-year, auto and transportation grew by 22.2 percent for the same period, building supply stores saw a 26.5 percentage point uptick, business operating sales increased by 4.7 percent, and other retailers outpaced last year’s performance by 46.1 percent as online purchasing continues to be a big player in the COVID-19 economy.

Individual income tax receipts for October beat downgraded expectations by \$25.8 and corporate income tax receipts were over-budget by \$2.9 million. On the corporate side, tax revenues were over budget for the month by \$2.9 million or 49.5 percent.

In addition to the General Fund, the Highway Fund, in total, was over budget for the month of October by \$1.4 million or 5 percent. Though motor fuel excise tax receipts are down 10.5 percent compared to the same four-month period of fiscal year 2020, demand for gasoline and special fuels has improved since the initial decline in mid-March and April.

Nationally, third quarter real GDP growth surged by 33.1 percent at an annualized rate as the economy improved from early days of COVID-19, by far the largest growth on record. However GDP remains 3.5 percent below its peak in the fourth quarter of 2019.

“Economists remain concerned that the lack of an additional fiscal stimulus package from Congress, combined with a resurgence of the pandemic, will strain households, particularly lower income households, as we enter the winter months,” **said Figueroa.** “As we wrestle with a

significant increase in COVID-19 cases both nationwide and here at home, the need for action from Congress to support Maine families cannot be overstated.”

Earlier this month, a report from the Consensus Economic Forecasting Commission (CEFC) characterized Maine’s current conditions as “unprecedented, highly uncertain, and changing rapidly,” and explicitly stated that the exacerbation of inequality and the uneven pace of economic recovery may constrain the overall recovery and place additional demands on state educational and social service programs while threatening to reduce the tax revenues that fund them.

Maine’s nonpartisan Revenue Forecasting Committee is scheduled to meet this Monday, November 23, to review both the October revenue report and the recent findings of the CEFC, among other data, in an effort to finalize its five-year forecast for State revenues.

October’s revenue report is [attached](#).

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