



## STATE OF MAINE REVENUE FORECASTING COMMITTEE

### Members:

Michael Allen, Chair, Associate Commissioner of Tax Policy  
James Breece, University of Maine System  
Marc Cyr, Principal Analyst, Office of Fiscal and Program Review  
Dawna Lopatosky, State Budget Officer  
Grant Pennoyer, Director, Office of Fiscal and Program Review  
Amanda Rector, State Economist

May 7, 2012

TO: Governor Paul LePage  
Members, 125<sup>th</sup> Legislature

FROM: Michael J. Allen, Chair  
Revenue Forecasting Committee

RE: **Revenue Forecast Committee's Special Forecast - April 2012**

This update of revenue projections of the Revenue Forecasting Committee (RFC) represents a special forecast meeting called by the State Budget Officer to recommend adjustments to the March forecast based on new information that was discovered after the conclusion of the March revenue forecast pursuant to Maine Revised Statutes, Title 5, section 1710-G. Although the new information was discovered in early April, the timing of the special meeting was delayed until April 30<sup>th</sup> to allow the RFC to react to data from the April Individual Income Tax filing deadline of April 17<sup>th</sup>.

### **Background – New Information/Unrecorded January Revenue**

On Tuesday, April 3<sup>rd</sup>, the Commissioner of Administrative and Financial Services announced that approximately \$14.3 million of January's tax receipts deposited in the State's bank accounts were not properly reconciled and recorded as revenue in January. This unrecorded revenue heavily influenced the RFC's forecast for the Sales and Use Tax and Corporate Income Tax projections. Without this revenue, the RFC was unable to satisfactorily explain the sudden reversal in the performance of the Sales and Use Tax and had been troubled by the inconsistency of the growth rate of revenue compared to the growth of taxable sales as reported on tax forms. Similarly, the Corporate Income Tax showed a dramatic change in estimated payments that had no logical explanation. Additional details of the unrecorded revenues, the impact on the forecast and other background material is provided on the RFC's web page at:

[http://www.maine.gov/legis/ofpr/revenue\\_forecasting\\_committee/current/index.htm](http://www.maine.gov/legis/ofpr/revenue_forecasting_committee/current/index.htm).

Other tax categories were affected by the unrecorded revenue in January (again see detail on web page), but the other effects did not have a significant effect on the RFC's decision making for the March forecast.

### **Recommended Revenue Revisions**

As the purpose of this meeting was to address the effect of the unrecorded revenue in January and the tax categories most affected by the January accounting error, most of the General Fund revisions in this forecast are in the Sales and Use Tax and the Corporate Income Tax. The RFC made other adjustments to account for substantial variances through March for some other General Fund categories while also making a downward adjustment to Fuel Taxes to account for the effect of very high fuel prices. Provided

below is a summary of the recommendations for the General Fund, Highway Fund and the Fund for a Healthy Maine. The RFC made no adjustments to the forecast of the Medicaid/MaineCare Dedicated Revenue Taxes. Additional supporting materials are provided on the RFC's web page through the link noted above.

### General Fund Summary

|                         | <b>FY11 Actual</b> | <b>FY12</b>     | <b>FY13</b>     | <b>FY14</b>     | <b>FY15</b>     |
|-------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| Current Forecast        | \$2,944,956,756    | \$2,953,263,386 | \$3,040,043,977 | \$2,959,178,256 | \$3,079,105,040 |
| Annual % Growth         | 6.9%               | 0.3%            | 2.9%            | -2.7%           | 4.1%            |
| Net Increase (Decrease) |                    | \$42,185,815    | \$6,707,675     | \$25,800,809    | \$26,556,989    |
| Revised Forecast        | \$2,944,956,756    | \$2,995,449,201 | \$3,046,751,652 | \$2,984,979,065 | \$3,105,662,029 |
| Annual % Growth         | 6.9%               | 1.7%            | 1.7%            | -2.0%           | 4.0%            |

The General Fund upward revisions in this forecast total \$48.9 million for the 2012-2013 biennium and \$52.4 million for the 2014-2015 biennium. During the current biennium more than half of the upward adjustment is attributable to the Sales and Use Tax, which (with an understatement of \$6.6 million) had been the most significantly affected by January's unrecorded revenue. With the omitted January revenue added to March, this category was over budget by \$11.2 million through March and preliminary data for April indicated that the positive variance through April would increase to roughly \$14.5 million. Through the first 10 months of the fiscal year sales tax receipts are therefore expected to be up 6.5% over the same period last fiscal year. The rate of growth has accelerated in recent months, which we are assuming is associated with the unusually warm weather we have been experiencing. Given that most of the recent monthly overages were felt to be the result of the weather, the current forecast for May and June was assumed to remain unchanged, which assumes year-over-year growth of a little over 3% growth for that period. Future years were updated using the updated FY12 forecast and existing growth rates based on the economic forecast of the Consensus Economic Forecasting Commission (CEFC).

Corporate Income Tax, for which January revenue from estimated payments was understated by \$5.2 million, is the second largest adjustment in this forecast, accounting for roughly 20% of the General Fund revision with a \$9.8 million upward revision for the 2012-2013 biennium. This category has continued to perform well above budget and will end April approximately \$20 million over the March forecast. As a result, the RFC is adjusting the forecast upward by \$21.8 million in FY12. Unlike the Sales and Use Tax, the RFC is adjusting FY13 downward based on the assumption that a large portion (approximately \$16 million in FY12) of this overage is largely the result of a difference in the apparent fiscal year timing of the effects on revenue from provisions enacted in the Biennial Budget relating to the Maine Capital Investment Credit and conformity with Section 179 expensing. The RFC shifted approximately \$16 million of revenue reduction from these two investment incentives from FY12 to FY13 assuming that large corporations who will file their 2011 tax return in October will finally take these benefits into account and will be seeking relatively large refunds of payments made in FY12. Taking this into account, the RFC assumes there is a base \$6 million upward adjustment in FY12 that is ongoing and that is reflected in FY13 through FY15.

The third most significant adjustment of this General Fund revision was an adjustment to the amounts transferred from the Abandoned Property Fund to the General Fund at the close of each fiscal year. The upward revision for this transfer is \$8.3 million for the current biennium. As we approach the close of each fiscal year, the Office of the State Treasurer is able to better project the final transfer amount. Updated projections of balances in the account and future claims yield an updated projection of the transfer to be \$7.0 million, significantly above the \$2.3 million set as of the December 2009 forecast. Recent history has suggested that the annual amount has been approximately \$6 million, which is the new budgeted benchmark beginning in FY13.

The Insurance Companies Tax category has been over budget for most of the fiscal year and was approximately \$4.8 million over budget through March. The RFC only recognized a portion of this

positive variance, increasing projections by \$3.0 million for each year in the budget window. Most the revenue for this tax comes in during April, May and June. The due dates of the first two estimated payments for 2012 (70% of estimated annual liability) are April 30th and June 25th. The timing of these receipts between fiscal years is difficult to project; therefore, the RFC conservatively assumed only a portion of the positive variance through March would remain at the close of FY12.

One other sizeable upward adjustment in this forecast was the recognition of new one-time revenue from a settlement announced by the Attorney General. The \$1.2 million of additional FY12 General Fund revenue was partially reduced by an updated estimate of Maine’s share of the national mortgage foreclosure settlement. The Department of Professional and Financial Regulation also collected an unusually large fine from a Bankers Life and Casualty Company settlement, which the RFC recognized and increased budgeted revenue from fines in FY12 by \$0.7 million.

The RFC has revisited the forecast of milk-related revenue items, which are determined by milk prices. Milk price forecasts are only reliable in the short-term, typically less than 6 months. Based on the new forecast of milk prices, the net changes from Milk Handling Fee collections and the General Fund transfers out to the Maine Milk Pool are projected to produce a very modest net change in FY12 and a \$1.9 million net decrease of revenue in FY13. The net decrease of budgeted General Fund revenue in FY14 and FY15 is approximately \$0.9 million.

The RFC accepted 2 other downward General Fund adjustments recommended by Maine Revenue Services. The first was a reduction to Service Provider Tax estimates of \$1.4 million in FY12 and \$0.35 million in FY13, growing modestly in FY14 and FY15. The FY12 reduction accounts for an unusually large refund of roughly \$1 million that is one-time in nature. Maine Revenue Services also recommended a \$0.35 million reduction each year in the transfers for the Business Equipment Tax Reimbursement (BETR) program.

### **Highway Fund Summary**

|                         | <b>FY11 Actual</b> | <b>FY12</b>   | <b>FY13</b>   | <b>FY14</b>   | <b>FY15</b>   |
|-------------------------|--------------------|---------------|---------------|---------------|---------------|
| Current Forecast        | \$311,351,155      | \$318,193,325 | \$319,901,341 | \$322,982,929 | \$325,177,051 |
| Annual % Growth         | 0.1%               | 2.2%          | 0.5%          | 1.0%          | 0.7%          |
| Net Increase (Decrease) |                    | (\$3,221,798) | (\$3,221,798) | (\$3,221,798) | (\$3,221,798) |
| Revised Forecast        | \$311,351,155      | \$314,971,527 | \$316,679,543 | \$319,761,131 | \$321,955,253 |
| Annual % Growth         | 0.1%               | 1.2%          | 0.5%          | 1.0%          | 0.7%          |

The RFC reduced revenue estimates for the Highway Fund by \$3.2 million each year of the forecast. Most of the reduction is to account for the effect of high fuel prices on the estimated demand for gasoline and special fuels. Despite the RFC’s downward adjustment to the Gasoline Tax in its March revenue revisions, the performance since then has made it clear that it was insufficient to account for consumer reaction to current high prices that have been around \$4 per gallon. The underlying economic forecast did not anticipate fuel prices at this high level so the RFC has been forced to make off-model adjustments to attempt to capture the impact of recent prices. The \$2.7 million combined net reduction to the fuel taxes forecast in each year of the forecast period is the RFC’s most recent attempt. The Gasoline Tax was revised downward by \$2.3 million each year and the Special Fuel and Road Use Taxes category was revised downward by \$0.7 million. The gross tax adjustments are reduced by the effect of percentage transfers based on the fuel taxes to the net amount of \$2.7 million per year.

In the March forecast, the RFC increased projections for the Long-term Trailer Registration Fees category by \$1.0 million per year. Shortly after making this adjustment the revenue from this source slowed substantially. The RFC’s overly optimistic assessment of the March forecast is reduced by half in this forecast and results in a \$0.5 million downward Highway Fund revision in this forecast.

## Fund for a Healthy Maine Summary

|                         | FY11 Actual  | FY12         | FY13         | FY14         | FY15         |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Current Forecast        | \$54,386,707 | \$54,527,618 | \$51,978,341 | \$54,170,115 | \$53,755,459 |
| Annual % Growth         | -5.5%        | 0.3%         | -4.7%        | 4.2%         | -0.8%        |
| Net Increase (Decrease) |              | \$984,726    | \$0          | \$0          | \$0          |
| Revised Forecast        | \$54,386,707 | \$55,512,344 | \$51,978,341 | \$54,170,115 | \$53,755,459 |
| Annual % Growth         | -5.5%        | 2.1%         | -6.4%        | 4.2%         | -0.8%        |

The RFC increased current year revenue estimates for tobacco settlement payments by \$1.0 million based on actual receipts in April. Without any additional information from the National Association of Attorneys General to analyze this variance, the RFC left future years unchanged. These future year projections will be revisited for the fall forecast when the assumptions and progress on the pending legal proceedings will be more thoroughly reviewed.

### Conclusions

This special forecast of the RFC was called to address new important information about January's tax receipts missing from reported revenue. The missing revenue had significantly affected the RFC's March forecast that relied on January's reported revenue as the most recent actual month available. The missing Sales and Use Tax and Corporate Income Tax revenue caused the RFC to react to what appeared to be a sizeable reversal in the revenue patterns for these 2 important sources. This special forecast corrects for the misleading revenue data in January. It also attempts to capture some of the more substantial variances since the last forecast.

This forecast is not based on a new economic forecast and relies on a forecast substantially unchanged since the CEFC's November 2011 forecast. While the economic situation is less volatile and uncertain than it was during the recent recession, there remain some risks to the current economic forecast. Fuel prices are the most obvious in the short-term due to their negative effect on the current revenue forecast. When the CEFC meets in the fall, their view of the Maine economy may be very different and affect the December 2012 revenue forecast much more than the immediate effect of fuel prices. Europe remains a potential risk as some European countries have recently entered into double-dip recessions. European banks are precariously situated with significant exposure to European sovereign debt in countries that have agreed to austerity budgets that have exacerbated the economic downturn for many. Currently, the US economy seems strong enough in its recent economic recovery to weather mild economic shocks, but certainly not any substantial shock.

### Attachments

cc: Members, Revenue Forecasting Committee  
 Members, Consensus Economic Forecasting Commission  
 John McGough, Chief of Staff, Governor's Office  
 Sawin Millett, Commissioner, DAFS  
 Clerk of the House  
 Secretary of the Senate  
 David Boulter, Executive Director, Legislative Council  
 Legislative Staff Office Directors

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                              | FY07 Actual          | FY08 Actual          | % Chg.      | FY09 Actual          | % Chg.       | FY10 Actual          | % Chg.       | FY11 Actual          | % Chg.      | FY11 Budget          | FY11 Variance     | % Var.      |
|-------------------------------------|----------------------|----------------------|-------------|----------------------|--------------|----------------------|--------------|----------------------|-------------|----------------------|-------------------|-------------|
| Sales and Use Tax                   | 971,455,721          | 983,057,278          | 1.2%        | 921,823,720          | -6.2%        | 897,938,873          | -2.6%        | 923,686,973          | 2.9%        | 916,746,307          | 6,940,666         | 0.8%        |
| Service Provider Tax                | 49,400,532           | 52,100,664           | 5.5%        | 52,812,595           | 1.4%         | 56,086,391           | 6.2%         | 52,672,306           | -6.1%       | 55,214,486           | (2,542,180)       | -4.6%       |
| Individual Income Tax               | 1,464,928,346        | 1,558,032,961        | 6.4%        | 1,365,437,729        | -12.4%       | 1,298,036,055        | -4.9%        | 1,415,283,534        | 9.0%        | 1,392,702,302        | 22,581,232        | 1.6%        |
| Corporate Income Tax                | 183,851,533          | 184,514,568          | 0.4%        | 143,085,966          | -22.5%       | 175,292,433          | 22.5%        | 208,996,598          | 19.2%       | 193,182,264          | 15,814,334        | 8.2%        |
| Cigarette and Tobacco Tax           | 158,953,466          | 150,499,432          | -5.3%       | 144,424,712          | -4.0%        | 149,066,678          | 3.2%         | 145,229,303          | -2.6%       | 146,209,555          | (980,252)         | -0.7%       |
| Insurance Companies Tax             | 74,452,542           | 72,292,532           | -2.9%       | 79,770,431           | 10.3%        | 80,019,145           | 0.3%         | 76,930,329           | -3.9%       | 76,765,000           | 165,329           | 0.2%        |
| Estate Tax                          | 54,820,038           | 39,890,577           | -27.2%      | 31,819,188           | -20.2%       | 31,209,840           | -1.9%        | 49,323,494           | 58.0%       | 45,052,787           | 4,270,707         | 9.5%        |
| Other Taxes and Fees *              | 143,921,436          | 140,215,511          | -2.6%       | 148,909,575          | 6.2%         | 149,592,993          | 0.5%         | 151,676,495          | 1.4%        | 149,672,089          | 2,004,406         | 1.3%        |
| Fines, Forfeits and Penalties       | 41,415,132           | 44,465,534           | 7.4%        | 44,024,462           | -1.0%        | 32,787,060           | -25.5%       | 28,513,040           | -13.0%      | 28,799,339           | (286,299)         | -1.0%       |
| Income from Investments             | 1,215,836            | 1,074,143            | -11.7%      | 1,100,129            | 2.4%         | 265,091              | -75.9%       | 277,770              | 4.8%        | 245,127              | 32,643            | 13.3%       |
| Transfer from Lottery Commission    | 50,624,741           | 49,491,086           | -2.2%       | 49,839,434           | 0.7%         | 52,201,531           | 4.7%         | 49,547,800           | -5.1%       | 49,034,250           | 513,550           | 1.0%        |
| Transfers to Tax Relief Programs *  | (110,993,852)        | (114,564,757)        | -3.2%       | (122,931,820)        | -7.3%        | (113,604,930)        | 7.6%         | (113,934,585)        | -0.3%       | (113,986,593)        | 52,008            | 0.0%        |
| Transfer to Municipal Rev. Sharing  | (130,490,756)        | (135,820,175)        | -4.1%       | (102,160,745)        | 24.8%        | (97,425,079)         | 4.6%         | (93,156,725)         | 4.4%        | (91,930,345)         | (1,226,380)       | 1.3%        |
| Other Revenue *                     | 66,040,674           | 62,569,638           | -5.3%       | 53,412,918           | -14.6%       | 44,216,420           | -17.2%       | 49,910,424           | 12.9%       | 48,357,956           | 1,552,468         | 3.2%        |
| <b>Total - General Fund Revenue</b> | <b>3,019,595,389</b> | <b>3,087,818,992</b> | <b>2.3%</b> | <b>2,811,368,295</b> | <b>-9.0%</b> | <b>2,755,682,500</b> | <b>-2.0%</b> | <b>2,944,956,756</b> | <b>6.9%</b> | <b>2,896,064,524</b> | <b>48,892,232</b> | <b>1.7%</b> |

\* Additional detail provided on pages 4, 5 and 6

## GENERAL FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                              | FY12 Budget          | % Chg.      | Recom. Chg.       | FY12 Revised         | % Chg.      | FY13 Budget          | % Chg.      | Recom. Chg.       | FY13 Revised         | % Chg.      |
|-------------------------------------|----------------------|-------------|-------------------|----------------------|-------------|----------------------|-------------|-------------------|----------------------|-------------|
| Sales and Use Tax                   | 958,672,275          | 3.8%        | 14,548,122        | 973,220,397          | 5.4%        | 994,103,193          | 3.7%        | 15,086,403        | 1,009,189,596        | 3.7%        |
| Service Provider Tax                | 51,750,707           | -1.7%       | (1,384,394)       | 50,366,313           | -4.4%       | 53,935,807           | 4.2%        | (348,995)         | 53,586,812           | 6.4%        |
| Individual Income Tax               | 1,444,897,209        | 2.1%        | 0                 | 1,444,897,209        | 2.1%        | 1,436,399,714        | -0.6%       | 0                 | 1,436,399,714        | -0.6%       |
| Corporate Income Tax                | 196,761,231          | -5.9%       | 21,849,229        | 218,610,460          | 4.6%        | 216,254,205          | 9.9%        | (12,057,304)      | 204,196,901          | -6.6%       |
| Cigarette and Tobacco Tax           | 142,123,350          | -2.1%       | 0                 | 142,123,350          | -2.1%       | 139,555,285          | -1.8%       | 0                 | 139,555,285          | -1.8%       |
| Insurance Companies Tax             | 76,215,000           | -0.9%       | 3,000,000         | 79,215,000           | 3.0%        | 76,215,000           | 0.0%        | 3,000,000         | 79,215,000           | 0.0%        |
| Estate Tax                          | 38,260,185           | -22.4%      | 0                 | 38,260,185           | -22.4%      | 42,736,287           | 11.7%       | 0                 | 42,736,287           | 11.7%       |
| Other Taxes and Fees *              | 131,791,802          | -13.1%      | 285,976           | 132,077,778          | -12.9%      | 152,772,077          | 15.9%       | 1,217,300         | 153,989,377          | 16.6%       |
| Fines, Forfeits and Penalties       | 25,024,504           | -12.2%      | 730,000           | 25,754,504           | -9.7%       | 25,145,756           | 0.5%        | 0                 | 25,145,756           | -2.4%       |
| Income from Investments             | 106,808              | -61.5%      | 0                 | 106,808              | -61.5%      | 141,684              | 32.7%       | 0                 | 141,684              | 32.7%       |
| Transfer from Lottery Commission    | 50,700,000           | 2.3%        | 0                 | 50,700,000           | 2.3%        | 52,550,000           | 3.6%        | 0                 | 52,550,000           | 3.6%        |
| Transfers to Tax Relief Programs *  | (114,068,263)        | -0.1%       | (350,000)         | (114,418,263)        | -0.4%       | (110,564,175)        | 3.1%        | (350,000)         | (110,914,175)        | 3.1%        |
| Transfer to Municipal Rev. Sharing  | (95,042,144)         | -2.0%       | (1,812,596)       | (96,854,740)         | -4.0%       | (93,822,282)         | 1.3%        | (399,097)         | (94,221,379)         | 2.7%        |
| Other Revenue *                     | 46,070,722           | -7.7%       | 5,319,478         | 51,390,200           | 3.0%        | 54,670,663           | 18.7%       | 559,368           | 55,230,031           | 7.5%        |
| <b>Total - General Fund Revenue</b> | <b>2,953,263,386</b> | <b>0.3%</b> | <b>42,185,815</b> | <b>2,995,449,201</b> | <b>1.7%</b> | <b>3,040,093,214</b> | <b>2.9%</b> | <b>6,707,675</b>  | <b>3,046,800,889</b> | <b>1.7%</b> |
|                                     |                      |             |                   |                      |             |                      |             | <b>48,893,490</b> |                      |             |

\* Additional detail provided on pages 4, 5 and 6

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                              | FY14 Projection      | % Chg.       | Recom. Chg.       | FY14 Revised         | % Chg.       | FY15 Projection      | % Chg.      | Recom. Chg.       | FY15 Revised         | % Chg.      |
|-------------------------------------|----------------------|--------------|-------------------|----------------------|--------------|----------------------|-------------|-------------------|----------------------|-------------|
| Sales and Use Tax                   | 1,038,169,221        | 4.4%         | 15,750,204        | 1,053,919,425        | 4.4%         | 1,084,477,812        | 4.5%        | 16,458,963        | 1,100,936,775        | 4.5%        |
| Service Provider Tax                | 56,771,166           | 5.3%         | (367,492)         | 56,403,674           | 5.3%         | 58,822,869           | 3.6%        | (380,721)         | 58,442,148           | 3.6%        |
| Individual Income Tax               | 1,399,478,877        | -2.6%        | 0                 | 1,399,478,877        | -2.6%        | 1,466,806,120        | 4.8%        | 0                 | 1,466,806,120        | 4.8%        |
| Corporate Income Tax                | 245,986,960          | 13.7%        | 5,853,080         | 251,840,040          | 23.3%        | 256,240,605          | 4.2%        | 6,072,483         | 262,313,088          | 4.2%        |
| Cigarette and Tobacco Tax           | 137,081,367          | -1.8%        | 0                 | 137,081,367          | -1.8%        | 134,660,611          | -1.8%       | 0                 | 134,660,611          | -1.8%       |
| Insurance Companies Tax             | 76,215,000           | 0.0%         | 3,000,000         | 79,215,000           | 0.0%         | 76,215,000           | 0.0%        | 3,000,000         | 79,215,000           | 0.0%        |
| Estate Tax                          | 23,683,696           | -44.6%       | 0                 | 23,683,696           | -44.6%       | 23,832,164           | 0.6%        | 0                 | 23,832,164           | 0.6%        |
| Other Taxes and Fees *              | 132,057,779          | -13.6%       | (3,106)           | 132,054,673          | -14.2%       | 135,284,909          | 2.4%        | (3,106)           | 135,281,803          | 2.4%        |
| Fines, Forfeits and Penalties       | 25,096,371           | -0.2%        | 0                 | 25,096,371           | -0.2%        | 25,091,371           | 0.0%        | 0                 | 25,091,371           | 0.0%        |
| Income from Investments             | 174,013              | 22.8%        | 0                 | 174,013              | 22.8%        | 271,368              | 55.9%       | 0                 | 271,368              | 55.9%       |
| Transfer from Lottery Commission    | 52,550,000           | 0.0%         | 0                 | 52,550,000           | 0.0%         | 52,550,000           | 0.0%        | 0                 | 52,550,000           | 0.0%        |
| Transfers to Tax Relief Programs *  | (118,406,258)        | -7.1%        | (350,000)         | (118,756,258)        | -7.1%        | (119,589,043)        | -1.0%       | (350,000)         | (119,939,043)        | -1.0%       |
| Transfer to Municipal Rev. Sharing  | (140,589,379)        | -49.8%       | (958,382)         | (141,547,761)        | -50.2%       | (146,372,008)        | -4.1%       | (1,117,135)       | (147,489,143)        | -4.2%       |
| Other Revenue *                     | 30,964,846           | -43.4%       | 2,876,505         | 33,841,351           | -38.7%       | 30,868,665           | -0.3%       | 2,876,505         | 33,745,170           | -0.3%       |
| <b>Total - General Fund Revenue</b> | <b>2,959,233,659</b> | <b>-2.7%</b> | <b>25,800,809</b> | <b>2,985,034,468</b> | <b>-2.0%</b> | <b>3,079,160,443</b> | <b>4.1%</b> | <b>26,556,989</b> | <b>3,105,717,432</b> | <b>4.0%</b> |
|                                     |                      |              |                   |                      |              |                      |             | <b>52,357,798</b> |                      |             |

\* Additional detail provided on pages 4, 5 and 6

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source   | FY07 Actual   | FY08 Actual   | % Chg. | FY09 Actual   | % Chg.  | FY10 Actual   | % Chg. | FY11 Actual   | % Chg. | FY11 Budget   | FY11 Variance | % Var. |
|--|---------------|---------------|--------|---------------|---------|---------------|--------|---------------|--------|---------------|---------------|--------|
| <b>Detail of Other Taxes and Fees:</b>             |               |               |        |               |         |               |        |               |        |               |               |        |
| - Property Tax - Unorganized Territory             | 11,376,293    | 12,217,081    | 7.4%   | 12,633,755    | 3.4%    | 13,217,886    | 4.6%   | 13,381,506    | 1.2%   | 13,794,109    | (412,603)     | -3.0%  |
| - Real Estate Transfer Tax                         | 22,206,638    | 17,465,240    | -21.4% | 17,184,746    | -1.6%   | 12,181,181    | -29.1% | 13,815,942    | 13.4%  | 13,721,052    | 94,890        | 0.7%   |
| - Liquor Taxes and Fees                            | 20,283,406    | 20,673,308    | 1.9%   | 20,844,377    | 0.8%    | 20,361,554    | -2.3%  | 21,017,177    | 3.2%   | 20,864,662    | 152,515       | 0.7%   |
| - Corporation Fees & Licenses                      | 7,935,294     | 7,969,156     | 0.4%   | 7,931,072     | -0.5%   | 8,168,981     | 3.0%   | 8,479,743     | 3.8%   | 7,697,099     | 782,644       | 10.2%  |
| - Telecommunications Personal Prop. Tax            | 16,317,029    | 16,858,472    | 3.3%   | 19,536,483    | 15.9%   | 17,523,926    | -10.3% | 17,668,244    | 0.8%   | 16,775,988    | 892,256       | 5.3%   |
| - Finance Industry Fees                            | 22,004,030    | 23,638,820    | 7.4%   | 23,901,210    | 1.1%    | 23,831,582    | -0.3%  | 24,688,570    | 3.6%   | 23,679,930    | 1,008,640     | 4.3%   |
| - Milk Handling Fee                                | 2,561,972     | 631,997       | -75.3% | 6,605,226     | 945.1%  | 10,105,521    | 53.0%  | 3,845,823     | -61.9% | 3,645,392     | 200,431       | 5.5%   |
| - Casino and Racino Revenue                        | 8,607,317     | 8,384,464     | -2.6%  | 8,730,346     | 4.1%    | 10,421,318    | 19.4%  | 10,597,066    | 1.7%   | 10,804,600    | (207,534)     | -1.9%  |
| - Boat, ATV and Snowmobile Fees                    | 4,162,079     | 4,295,524     | 3.2%   | 4,262,523     | -0.8%   | 4,730,068     | 11.0%  | 4,437,431     | -6.2%  | 4,500,295     | (62,864)      | -1.4%  |
| - Hunting and Fishing License Fees                 | 16,401,841    | 15,683,316    | -4.4%  | 15,378,849    | -1.9%   | 16,277,082    | 5.8%   | 15,863,627    | -2.5%  | 17,320,998    | (1,457,371)   | -8.4%  |
| - Other Miscellaneous Taxes and Fees               | 12,065,538    | 12,398,134    | 2.8%   | 11,900,988    | -4.0%   | 12,773,892    | 7.3%   | 17,881,366    | 40.0%  | 16,867,964    | 1,013,402     | 6.0%   |
| Subtotal - Other Taxes and Fees                    | 143,921,436   | 140,215,511   | -2.6%  | 148,909,575   | 6.2%    | 149,592,993   | 0.5%   | 151,676,495   | 1.4%   | 149,672,089   | 2,004,406     | 1.3%   |
| <b>Detail of Other Revenue:</b>                    |               |               |        |               |         |               |        |               |        |               |               |        |
| - Liquor Sales and Operations                      | 4,440,935     | 5,561,666     | 25.2%  | 6,220,864     | 11.9%   | 6,784,941     | 9.1%   | 7,311,603     | 7.8%   | 7,305,811     | 5,792         | 0.1%   |
| - Targeted Case Management (HHS)                   | 12,834,382    | 12,157,093    | -5.3%  | 13,946,371    | 14.7%   | 19,490,000    | 39.7%  | 16,574,218    | -15.0% | 15,029,612    | 1,544,606     | 10.3%  |
| - State Cost Allocation Program                    | 15,428,622    | 16,289,386    | 5.6%   | 16,104,670    | -1.1%   | 16,008,673    | -0.6%  | 14,408,283    | -10.0% | 14,899,059    | (490,776)     | -3.3%  |
| - Unclaimed Property Transfer                      | 10,499,528    | 11,114,735    | 5.9%   | 13,212,409    | 18.9%   | 5,855,999     | -55.7% | 2,333,420     | -60.2% | 2,333,420     | 0             | 0.0%   |
| - Tourism Transfer                                 | (8,221,338)   | (8,708,437)   | -5.9%  | (9,068,407)   | -4.1%   | (9,022,023)   | 0.5%   | (9,048,877)   | -0.3%  | (9,048,877)   | 0             | 0.0%   |
| - Transfer to Maine Milk Pool                      | (10,158,802)  | (1,078,425)   | 89.4%  | (11,810,960)  | -995.2% | (13,349,600)  | -13.0% | (4,249,777)   | 68.2%  | (4,245,141)   | (4,636)       | 0.1%   |
| - Transfer to STAR Transportation Fund             | 0             | 0             | N/A    | 0             | N/A     | (3,134,861)   | N/A    | (3,100,352)   | 1.1%   | (3,100,352)   | 0             | 0.0%   |
| - Other Miscellaneous Revenue                      | 41,217,346    | 27,233,620    | -33.9% | 24,807,971    | -8.9%   | 21,583,291    | -13.0% | 25,681,907    | 19.0%  | 25,184,424    | 497,483       | 2.0%   |
| Subtotal - Other Revenue                           | 66,040,674    | 62,569,638    | -5.3%  | 53,412,918    | -14.6%  | 44,216,420    | -17.2% | 49,910,424    | 12.9%  | 48,357,956    | 1,552,468     | 3.2%   |
| <b>Detail of Transfers to Tax Relief Programs:</b> |               |               |        |               |         |               |        |               |        |               |               |        |
| - Maine Resident Property Tax Program              | (44,440,759)  | (46,689,380)  | -5.1%  | (48,751,672)  | -4.4%   | (40,851,593)  | 16.2%  | (41,449,010)  | -1.5%  | (42,098,648)  | 649,638       | -1.5%  |
| - BETR - Business Equipment Tax Reimb.             | (66,553,092)  | (67,875,376)  | -2.0%  | (66,009,487)  | 2.7%    | (58,198,436)  | 11.8%  | (55,220,851)  | 5.1%   | (55,543,140)  | 322,289       | -0.6%  |
| - BETE - Municipal Bus. Equip. Tax Reimb.          | 0             | 0             | N/A    | (8,170,661)   | N/A     | (14,554,901)  | -78.1% | (17,264,724)  | -18.6% | (16,344,805)  | (919,919)     | 5.6%   |
| Subtotal - Tax Relief Transfers                    | (110,993,852) | (114,564,757) | -3.2%  | (122,931,820) | -7.3%   | (113,604,930) | 7.6%   | (113,934,585) | -0.3%  | (113,986,593) | 52,008        | 0.0%   |
| IF&W Total Revenue **                              | 21,663,828    | 20,965,692    | -3.2%  | 20,579,500    | -1.8%   | 22,039,520    | 7.1%   | 21,425,573    | -2.8%  | 22,803,767    | (1,378,194)   | -6.0%  |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.



# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source   | FY12 Budget   | % Chg. | Recom. Chg. | FY12 Revised  | % Chg. | FY13 Budget   | % Chg. | Recom. Chg. | FY13 Revised  | % Chg.  |
|--|---------------|--------|-------------|---------------|--------|---------------|--------|-------------|---------------|---------|
| <b>Detail of Other Taxes and Fees:</b>             |               |        |             |               |        |               |        |             |               |         |
| - Property Tax - Unorganized Territory             | 13,555,547    | 1.3%   | 0           | 13,555,547    | 1.3%   | 13,479,881    | -0.6%  | 0           | 13,479,881    | -0.6%   |
| - Real Estate Transfer Tax                         | 9,767,309     | -29.3% | 0           | 9,767,309     | -29.3% | 11,153,467    | 14.2%  | 0           | 11,153,467    | 14.2%   |
| - Liquor Taxes and Fees                            | 21,064,780    | 0.2%   | 0           | 21,064,780    | 0.2%   | 20,770,313    | -1.4%  | 0           | 20,770,313    | -1.4%   |
| - Corporation Fees & Licenses                      | 7,847,099     | -7.5%  | 0           | 7,847,099     | -7.5%  | 7,847,099     | 0.0%   | 0           | 7,847,099     | 0.0%    |
| - Telecommunications Personal Prop. Tax            | 9,641,734     | -45.4% | 0           | 9,641,734     | -45.4% | 11,574,108    | 20.0%  | 0           | 11,574,108    | 20.0%   |
| - Finance Industry Fees                            | 23,381,610    | -5.3%  | 0           | 23,381,610    | -5.3%  | 23,265,980    | -0.5%  | 0           | 23,265,980    | -0.5%   |
| - Milk Handling Fee                                | 1,773,703     | -53.9% | 289,082     | 2,062,785     | -46.4% | 2,722,446     | 53.5%  | 1,220,406   | 3,942,852     | 91.1%   |
| - Casino and Racino Revenue                        | 12,149,857    | 14.7%  | 0           | 12,149,857    | 14.7%  | 15,006,617    | 23.5%  | 0           | 15,006,617    | 23.5%   |
| - Boat, ATV and Snowmobile Fees                    | 4,620,911     | 4.1%   | 0           | 4,620,911     | 4.1%   | 4,763,561     | 3.1%   | 0           | 4,763,561     | 3.1%    |
| - Hunting and Fishing License Fees                 | 16,161,752    | 1.9%   | 0           | 16,161,752    | 1.9%   | 16,214,189    | 0.3%   | 0           | 16,214,189    | 0.3%    |
| - Other Miscellaneous Taxes and Fees               | 11,827,500    | -33.9% | (3,106)     | 11,824,394    | -33.9% | 25,974,416    | 119.6% | (3,106)     | 25,971,310    | 119.6%  |
| Subtotal - Other Taxes and Fees                    | 131,791,802   | -13.1% | 285,976     | 132,077,778   | -12.9% | 152,772,077   | 15.9%  | 1,217,300   | 153,989,377   | 16.6%   |
| <b>Detail of Other Revenue:</b>                    |               |        |             |               |        |               |        |             |               |         |
| - Liquor Sales and Operations                      | 8,045,000     | 10.0%  | 0           | 8,045,000     | 10.0%  | 28,084,900    | 249.1% | 0           | 28,084,900    | 249.1%  |
| - Targeted Case Management (HHS)                   | 4,095,281     | -75.3% | 0           | 4,095,281     | -75.3% | 2,105,386     | -48.6% | 0           | 2,105,386     | -48.6%  |
| - State Cost Allocation Program                    | 14,101,010    | -2.1%  | 0           | 14,101,010    | -2.1%  | 15,000,000    | 6.4%   | 0           | 15,000,000    | 6.4%    |
| - Unclaimed Property Transfer                      | 2,348,420     | 0.6%   | 4,651,580   | 7,000,000     | 200.0% | 2,348,420     | 0.0%   | 3,651,580   | 6,000,000     | -14.3%  |
| - Tourism Transfer                                 | (9,419,745)   | -4.1%  | 0           | (9,419,745)   | -4.1%  | (9,786,425)   | -3.9%  | 0           | (9,786,425)   | -3.9%   |
| - Transfer to Maine Milk Pool                      | (1,160,341)   | 72.7%  | (215,102)   | (1,375,443)   | 67.6%  | (2,074,138)   | -78.8% | (3,092,212) | (5,166,350)   | -275.6% |
| - Transfer to STAR Transportation Fund             | (3,196,872)   | -3.1%  | 0           | (3,196,872)   | -3.1%  | (6,157,681)   | -92.6% | 0           | (6,157,681)   | -92.6%  |
| - Other Miscellaneous Revenue                      | 31,257,969    | 21.7%  | 883,000     | 32,140,969    | 25.2%  | 25,150,201    | -19.5% | 0           | 25,150,201    | -21.8%  |
| Subtotal - Other Revenue                           | 46,070,722    | -7.7%  | 5,319,478   | 51,390,200    | 3.0%   | 54,670,663    | 18.7%  | 559,368     | 55,230,031    | 7.5%    |
| <b>Detail of Transfers to Tax Relief Programs:</b> |               |        |             |               |        |               |        |             |               |         |
| - Maine Resident Property Tax Program              | (42,083,286)  | -1.5%  | 0           | (42,083,286)  | -1.5%  | (43,081,877)  | -2.4%  | 0           | (43,081,877)  | -2.4%   |
| - BETR - Business Equipment Tax Reimb.             | (52,552,995)  | 4.8%   | (350,000)   | (52,902,995)  | 4.2%   | (47,282,583)  | 10.0%  | (350,000)   | (47,632,583)  | 10.0%   |
| - BETE - Municipal Bus. Equip. Tax Reimb.          | (19,431,982)  | -12.6% | 0           | (19,431,982)  | -12.6% | (20,199,715)  | -4.0%  | 0           | (20,199,715)  | -4.0%   |
| Subtotal - Tax Relief Transfers                    | (114,068,263) | -0.1%  | (350,000)   | (114,418,263) | -0.4%  | (110,564,175) | 3.1%   | (350,000)   | (110,914,175) | 3.1%    |
| IF&W Total Revenue **                              | 21,771,025    | 1.6%   | (3,106)     | 21,767,919    | 1.6%   | 21,967,882    | 0.9%   | (3,106)     | 21,964,776    | 0.9%    |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

# GENERAL FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source   | FY14 Projection | % Chg. | Recom. Chg. | FY14 Revised  | % Chg. | FY15 Projection | % Chg. | Recom. Chg. | FY15 Revised  | % Chg. |
|--|-----------------|--------|-------------|---------------|--------|-----------------|--------|-------------|---------------|--------|
| <b>Detail of Other Taxes and Fees:</b>             |                 |        |             |               |        |                 |        |             |               |        |
| - Property Tax - Unorganized Territory             | 13,711,909      | 1.7%   | 0           | 13,711,909    | 1.7%   | 13,986,996      | 2.0%   | 0           | 13,986,996    | 2.0%   |
| - Real Estate Transfer Tax                         | 8,713,466       | -21.9% | 0           | 8,713,466     | -21.9% | 11,449,607      | 31.4%  | 0           | 11,449,607    | 31.4%  |
| - Liquor Taxes and Fees                            | 20,520,313      | -1.2%  | 0           | 20,520,313    | -1.2%  | 20,520,313      | 0.0%   | 0           | 20,520,313    | 0.0%   |
| - Corporation Fees & Licenses                      | 7,847,099       | 0.0%   | 0           | 7,847,099     | 0.0%   | 7,847,099       | 0.0%   | 0           | 7,847,099     | 0.0%   |
| - Telecommunications Personal Prop. Tax            | 11,421,590      | -1.3%  | 0           | 11,421,590    | -1.3%  | 11,421,590      | 0.0%   | 0           | 11,421,590    | 0.0%   |
| - Finance Industry Fees                            | 23,265,980      | 0.0%   | 0           | 23,265,980    | 0.0%   | 23,265,980      | 0.0%   | 0           | 23,265,980    | 0.0%   |
| - Milk Handling Fee                                | 3,379,588       | 24.1%  | 0           | 3,379,588     | -14.3% | 3,379,588       | 0.0%   | 0           | 3,379,588     | 0.0%   |
| - Casino and Racino Revenue                        | 10,409,817      | -30.6% | 0           | 10,409,817    | -30.6% | 10,619,775      | 2.0%   | 0           | 10,619,775    | 2.0%   |
| - Boat, ATV and Snowmobile Fees                    | 4,763,561       | 0.0%   | 0           | 4,763,561     | 0.0%   | 4,763,561       | 0.0%   | 0           | 4,763,561     | 0.0%   |
| - Hunting and Fishing License Fees                 | 16,214,189      | 0.0%   | 0           | 16,214,189    | 0.0%   | 16,214,189      | 0.0%   | 0           | 16,214,189    | 0.0%   |
| - Other Miscellaneous Taxes and Fees               | 11,810,267      | -54.5% | (3,106)     | 11,807,161    | -54.5% | 11,816,211      | 0.1%   | (3,106)     | 11,813,105    | 0.1%   |
| Subtotal - Other Taxes and Fees                    | 132,057,779     | -13.6% | (3,106)     | 132,054,673   | -14.2% | 135,284,909     | 2.4%   | (3,106)     | 135,281,803   | 2.4%   |
| <b>Detail of Other Revenue:</b>                    |                 |        |             |               |        |                 |        |             |               |        |
| - Liquor Sales and Operations                      | 8,407,196       | -70.1% | 0           | 8,407,196     | -70.1% | 8,742,384       | 4.0%   | 0           | 8,742,384     | 4.0%   |
| - Targeted Case Management (HHS)                   | 2,112,332       | 0.3%   | 0           | 2,112,332     | 0.3%   | 2,103,916       | -0.4%  | 0           | 2,103,916     | -0.4%  |
| - State Cost Allocation Program                    | 15,000,000      | 0.0%   | 0           | 15,000,000    | 0.0%   | 15,000,000      | 0.0%   | 0           | 15,000,000    | 0.0%   |
| - Unclaimed Property Transfer                      | 2,273,420       | -3.2%  | 3,726,580   | 6,000,000     | 0.0%   | 2,273,420       | 0.0%   | 3,726,580   | 6,000,000     | 0.0%   |
| - Tourism Transfer                                 | (10,147,425)    | -3.7%  | 0           | (10,147,425)  | -3.7%  | (10,573,500)    | -4.2%  | 0           | (10,573,500)  | -4.2%  |
| - Transfer to Maine Milk Pool                      | (4,127,905)     | -99.0% | (850,075)   | (4,977,980)   | 3.6%   | (4,123,801)     | 0.1%   | (850,075)   | (4,973,876)   | 0.1%   |
| - Transfer to STAR Transportation Fund             | (6,222,258)     | -1.0%  | 0           | (6,222,258)   | -1.0%  | (6,287,481)     | -1.0%  | 0           | (6,287,481)   | -1.0%  |
| - Other Miscellaneous Revenue                      | 23,669,486      | -5.9%  | 0           | 23,669,486    | -5.9%  | 23,733,727      | 0.3%   | 0           | 23,733,727    | 0.3%   |
| Subtotal - Other Revenue                           | 30,964,846      | -43.4% | 2,876,505   | 33,841,351    | -38.7% | 30,868,665      | -0.3%  | 2,876,505   | 33,745,170    | -0.3%  |
| <b>Detail of Transfers to Tax Relief Programs:</b> |                 |        |             |               |        |                 |        |             |               |        |
| - Maine Resident Property Tax Program              | (56,696,276)    | -31.6% | 0           | (56,696,276)  | -31.6% | (59,510,503)    | -5.0%  | 0           | (59,510,503)  | -5.0%  |
| - BETR - Business Equipment Tax Reimb.             | (42,100,000)    | 11.0%  | (350,000)   | (42,450,000)  | 10.9%  | (38,500,000)    | 8.6%   | (350,000)   | (38,850,000)  | 8.5%   |
| - BETE - Municipal Bus. Equip. Tax Reimb.          | (19,609,982)    | 2.9%   | 0           | (19,609,982)  | 2.9%   | (21,578,540)    | -10.0% | 0           | (21,578,540)  | -10.0% |
| Subtotal - Tax Relief Transfers                    | (118,406,258)   | -7.1%  | (350,000)   | (118,756,258) | -7.1%  | (119,589,043)   | -1.0%  | (350,000)   | (119,939,043) | -1.0%  |
| IF&W Total Revenue **                              | 21,971,946      | 0.0%   | (3,106)     | 21,968,840    | 0.0%   | 21,975,890      | 0.0%   | (3,106)     | 21,972,784    | 0.0%   |

\*\* IF&W Revenue is a component of the Other Revenue line but is not included in the Detail of Other Revenue because it includes Other Revenue classified above.

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                                    | FY07 Actual        | FY08 Actual        | % Chg.       | FY09 Actual        | % Chg.       | FY10 Actual        | % Chg.       | FY11 Actual        | % Chg.      | FY11 Budget        | FY11 Variance    | % Var.      |
|---|--------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|-------------|--------------------|------------------|-------------|
| Fuel Taxes                                |                    |                    |              |                    |              |                    |              |                    |             |                    |                  |             |
| - Gasoline Tax                            | 185,677,576        | 183,710,458        | -1.1%        | 178,960,918        | -2.6%        | 196,559,480        | 9.8%         | 194,958,019        | -0.8%       | 194,220,000        | 738,019          | 0.4%        |
| - Special Fuel and Road Use Taxes         | 45,805,856         | 46,139,086         | 0.7%         | 41,811,377         | -9.4%        | 45,227,703         | 8.2%         | 44,588,438         | -1.4%       | 43,760,000         | 828,438          | 1.9%        |
| - Transcap Transfers - Fuel Taxes         | 0                  | 0                  | N/A          | 0                  | N/A          | (17,631,888)       | N/A          | (17,554,820)       | 0.4%        | (17,476,736)       | (78,084)         | 0.4%        |
| - Other Fund Gasoline Tax Distributions   | (4,659,415)        | (4,614,205)        | 1.0%         | (4,556,751)        | 1.2%         | (4,964,589)        | -9.0%        | (4,957,745)        | 0.1%        | (4,956,860)        | (885)            | 0.0%        |
| Subtotal - Fuel Taxes                     | 226,824,018        | 225,235,339        | -0.7%        | 216,215,544        | -4.0%        | 219,190,706        | 1.4%         | 217,033,892        | -1.0%       | 215,546,404        | 1,487,488        | 0.7%        |
| Motor Vehicle Registration and Fees       |                    |                    |              |                    |              |                    |              |                    |             |                    |                  |             |
| - Motor Vehicle Registration Fees         | 65,216,811         | 64,512,423         | -1.1%        | 62,630,817         | -2.9%        | 64,601,757         | 3.1%         | 65,067,731         | 0.7%        | 64,775,312         | 292,419          | 0.5%        |
| - License Plate Fees                      | 2,355,987          | 2,460,929          | 4.5%         | 3,232,451          | 31.4%        | 3,436,943          | 6.3%         | 3,424,536          | -0.4%       | 3,348,300          | 76,236           | 2.3%        |
| - Long-term Trailer Registration Fees     | 0                  | 0                  | N/A          | 7,450,990          | N/A          | 7,884,523          | 5.8%         | 9,792,983          | 24.2%       | 8,884,523          | 908,460          | 10.2%       |
| - Title Fees                              | 9,697,812          | 9,363,014          | -3.5%        | 9,780,026          | 4.5%         | 10,846,661         | 10.9%        | 11,261,301         | 3.8%        | 10,871,056         | 390,245          | 3.6%        |
| - Motor Vehicle Operator License Fees     | 9,720,114          | 9,450,155          | -2.8%        | 8,489,006          | -10.2%       | 5,820,958          | -31.4%       | 6,112,149          | 5.0%        | 5,937,732          | 174,417          | 2.9%        |
| - Transcap Transfers - Motor Vehicle Fees | 0                  | 0                  | N/A          | 0                  | N/A          | (14,823,141)       | N/A          | (14,817,460)       | 0.0%        | (14,830,531)       | 13,071           | -0.1%       |
| Subtotal - Motor Vehicle Reg. & Fees      | 86,990,724         | 85,786,520         | -1.4%        | 91,583,289         | 6.8%         | 77,767,700         | -15.1%       | 80,841,240         | 4.0%        | 78,986,392         | 1,854,848        | 2.3%        |
| Motor Vehicle Inspection Fees             | 3,101,739          | 2,940,387          | -5.2%        | 2,975,807          | 1.2%         | 2,810,679          | -5.5%        | 2,977,702          | 5.9%        | 3,032,500          | (54,799)         | -1.8%       |
| Other Highway Fund Taxes and Fees         | 1,532,730          | 1,552,173          | 1.3%         | 1,392,598          | -10.3%       | 1,338,193          | -3.9%        | 1,358,167          | 1.5%        | 1,325,823          | 32,344           | 2.4%        |
| Fines, Forfeits and Penalties             | 1,668,000          | 1,747,986          | 4.8%         | 1,785,197          | 2.1%         | 1,440,062          | -19.3%       | 1,145,044          | -20.5%      | 1,205,049          | (60,005)         | -5.0%       |
| Income from Investments                   | 1,105,987          | 1,152,491          | 4.2%         | 480,419            | -58.3%       | 162,488            | -66.2%       | 124,518            | -23.4%      | 120,434            | 4,084            | 3.4%        |
| Other Highway Fund Revenues               | 9,597,886          | 9,721,683          | 1.3%         | 9,809,296          | 0.9%         | 8,480,545          | -13.5%       | 7,870,593          | -7.2%       | 8,072,531          | (201,938)        | -2.5%       |
| <b>Total - Highway Fund Revenue</b>       | <b>330,821,083</b> | <b>328,136,579</b> | <b>-0.8%</b> | <b>324,242,149</b> | <b>-1.2%</b> | <b>311,190,374</b> | <b>-4.0%</b> | <b>311,351,155</b> | <b>0.1%</b> | <b>308,289,133</b> | <b>3,062,022</b> | <b>1.0%</b> |

# HIGHWAY FUND REVENUE

## REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                                    | FY12 Budget        | % Chg.      | Recom. Chg.        | FY12 Revised       | % Chg.      | FY13 Budget        | % Chg.      | Recom. Chg.        | FY13 Revised       | % Chg.      |
|---|--------------------|-------------|--------------------|--------------------|-------------|--------------------|-------------|--------------------|--------------------|-------------|
| Fuel Taxes                                |                    |             |                    |                    |             |                    |             |                    |                    |             |
| - Gasoline Tax                            | 198,580,000        | 1.9%        | (2,300,000)        | 196,280,000        | 0.7%        | 199,890,000        | 0.7%        | (2,300,000)        | 197,590,000        | 0.7%        |
| - Special Fuel and Road Use Taxes         | 45,200,000         | 1.4%        | (700,000)          | 44,500,000         | -0.2%       | 45,550,000         | 0.8%        | (700,000)          | 44,850,000         | 0.8%        |
| - Transcap Transfers - Fuel Taxes         | (17,903,558)       | 2.0%        | 220,686            | (17,682,872)       | -0.7%       | (18,025,602)       | -0.7%       | 220,686            | (17,804,916)       | -0.7%       |
| - Other Fund Gasoline Tax Distributions   | (5,065,890)        | 2.2%        | 57,516             | (5,008,374)        | -1.0%       | (4,998,649)        | 1.3%        | 57,516             | (4,941,133)        | 1.3%        |
| Subtotal - Fuel Taxes                     | 220,810,552        | 1.7%        | (2,721,798)        | 218,088,754        | 0.5%        | 222,415,749        | 0.7%        | (2,721,798)        | 219,693,951        | 0.7%        |
| Motor Vehicle Registration and Fees       |                    |             |                    |                    |             |                    |             |                    |                    |             |
| - Motor Vehicle Registration Fees         | 64,805,936         | -0.4%       | 0                  | 64,805,936         | -0.4%       | 64,805,936         | 0.0%        | 0                  | 64,805,936         | 0.0%        |
| - License Plate Fees                      | 3,345,309          | -2.3%       | 0                  | 3,345,309          | -2.3%       | 3,351,681          | 0.2%        | 0                  | 3,351,681          | 0.2%        |
| - Long-term Trailer Registration Fees     | 9,884,523          | 0.9%        | (500,000)          | 9,384,523          | -4.2%       | 9,884,523          | 0.0%        | (500,000)          | 9,384,523          | 0.0%        |
| - Title Fees                              | 11,803,313         | 4.8%        | 0                  | 11,803,313         | 4.8%        | 11,905,216         | 0.9%        | 0                  | 11,905,216         | 0.9%        |
| - Motor Vehicle Operator License Fees     | 8,423,641          | 37.8%       | 0                  | 8,423,641          | 37.8%       | 8,761,371          | 4.0%        | 0                  | 8,761,371          | 4.0%        |
| - Transcap Transfers - Motor Vehicle Fees | (15,024,536)       | -1.4%       | 0                  | (15,024,536)       | -1.4%       | (14,966,712)       | 0.4%        | 0                  | (14,966,712)       | 0.4%        |
| Subtotal - Motor Vehicle Reg. & Fees      | 83,238,186         | 3.0%        | (500,000)          | 82,738,186         | 2.3%        | 83,742,015         | 0.6%        | (500,000)          | 83,242,015         | 0.6%        |
| Motor Vehicle Inspection Fees             | 2,982,500          | 0.2%        | 0                  | 2,982,500          | 0.2%        | 2,982,500          | 0.0%        | 0                  | 2,982,500          | 0.0%        |
| Other Highway Fund Taxes and Fees         | 1,313,165          | -3.3%       | 0                  | 1,313,165          | -3.3%       | 1,276,365          | -2.8%       | 0                  | 1,276,365          | -2.8%       |
| Fines, Forfeits and Penalties             | 993,049            | -13.3%      | 0                  | 993,049            | -13.3%      | 993,049            | 0.0%        | 0                  | 993,049            | 0.0%        |
| Income from Investments                   | 121,761            | -2.2%       | 0                  | 121,761            | -2.2%       | 111,259            | -8.6%       | 0                  | 111,259            | -8.6%       |
| Other Highway Fund Revenues               | 8,734,112          | 11.0%       | 0                  | 8,734,112          | 11.0%       | 8,380,404          | -4.0%       | 0                  | 8,380,404          | -4.0%       |
| <b>Total - Highway Fund Revenue</b>       | <b>318,193,325</b> | <b>2.2%</b> | <b>(3,221,798)</b> | <b>314,971,527</b> | <b>1.2%</b> | <b>319,901,341</b> | <b>0.5%</b> | <b>(3,221,798)</b> | <b>316,679,543</b> | <b>0.5%</b> |
| <b>Change in Biennial Totals</b>          |                    |             |                    |                    |             |                    |             | <b>(6,443,596)</b> |                    |             |

## HIGHWAY FUND REVENUE

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source                                    | FY14 Projection    | % Chg.      | Recom. Chg.        | FY14 Revised       | % Chg.      | FY15 Projection    | % Chg.      | Recom. Chg.        | FY15 Revised       | % Chg.      |
|---|--------------------|-------------|--------------------|--------------------|-------------|--------------------|-------------|--------------------|--------------------|-------------|
| Fuel Taxes                                |                    |             |                    |                    |             |                    |             |                    |                    |             |
| - Gasoline Tax                            | 202,900,000        | 1.5%        | (2,300,000)        | 200,600,000        | 1.5%        | 205,820,000        | 1.4%        | (2,300,000)        | 203,520,000        | 1.5%        |
| - Special Fuel and Road Use Taxes         | 45,790,000         | 0.5%        | (700,000)          | 45,090,000         | 0.5%        | 46,160,000         | 0.8%        | (700,000)          | 45,460,000         | 0.8%        |
| - Transcap Transfers - Fuel Taxes         | (18,263,706)       | 1.3%        | 220,686            | (18,043,020)       | -1.3%       | (18,504,980)       | -1.3%       | 220,686            | (18,284,294)       | -1.3%       |
| - Other Fund Gasoline Tax Distributions   | (5,073,920)        | 1.5%        | 57,516             | (5,016,404)        | -1.5%       | (5,146,940)        | -1.4%       | 57,516             | (5,089,424)        | -1.5%       |
| Subtotal - Fuel Taxes                     | 225,352,374        | 1.3%        | (2,721,798)        | 222,630,576        | 1.3%        | 228,328,080        | 1.3%        | (2,721,798)        | 225,606,282        | 1.3%        |
| Motor Vehicle Registration and Fees       |                    |             |                    |                    |             |                    |             |                    |                    |             |
| - Motor Vehicle Registration Fees         | 64,805,936         | 0.0%        | 0                  | 64,805,936         | 0.0%        | 64,805,936         | 0.0%        | 0                  | 64,805,936         | 0.0%        |
| - License Plate Fees                      | 3,351,681          | 0.0%        | 0                  | 3,351,681          | 0.0%        | 3,351,681          | 0.0%        | 0                  | 3,351,681          | 0.0%        |
| - Long-term Trailer Registration Fees     | 9,884,523          | 0.0%        | (500,000)          | 9,384,523          | 0.0%        | 9,884,523          | 0.0%        | (500,000)          | 9,384,523          | 0.0%        |
| - Title Fees                              | 12,417,140         | 4.3%        | 0                  | 12,417,140         | 4.3%        | 12,702,734         | 2.3%        | 0                  | 12,702,734         | 2.3%        |
| - Motor Vehicle Operator License Fees     | 8,492,320          | -3.1%       | 0                  | 8,492,320          | -3.1%       | 7,395,998          | -12.9%      | 0                  | 7,395,998          | -12.9%      |
| - Transcap Transfers - Motor Vehicle Fees | (15,118,567)       | -1.0%       | 0                  | (15,118,567)       | -1.0%       | (15,203,284)       | -0.6%       | 0                  | (15,203,284)       | -0.6%       |
| Subtotal - Motor Vehicle Reg. & Fees      | 83,833,033         | 0.1%        | (500,000)          | 83,333,033         | 0.1%        | 82,937,588         | -1.1%       | (500,000)          | 82,437,588         | -1.1%       |
| Motor Vehicle Inspection Fees             | 2,982,500          | 0.0%        | 0                  | 2,982,500          | 0.0%        | 2,982,500          | 0.0%        | 0                  | 2,982,500          | 0.0%        |
| Other Highway Fund Taxes and Fees         | 1,313,165          | 2.9%        | 0                  | 1,313,165          | 2.9%        | 1,276,365          | -2.8%       | 0                  | 1,276,365          | -2.8%       |
| Fines, Forfeits and Penalties             | 993,049            | 0.0%        | 0                  | 993,049            | 0.0%        | 993,049            | 0.0%        | 0                  | 993,049            | 0.0%        |
| Income from Investments                   | 155,844            | 40.1%       | 0                  | 155,844            | 40.1%       | 265,345            | 70.3%       | 0                  | 265,345            | 70.3%       |
| Other Highway Fund Revenues               | 8,352,964          | -0.3%       | 0                  | 8,352,964          | -0.3%       | 8,394,124          | 0.5%        | 0                  | 8,394,124          | 0.5%        |
| <b>Total - Highway Fund Revenue</b>       | <b>322,982,929</b> | <b>1.0%</b> | <b>(3,221,798)</b> | <b>319,761,131</b> | <b>1.0%</b> | <b>325,177,051</b> | <b>0.7%</b> | <b>(3,221,798)</b> | <b>321,955,253</b> | <b>0.7%</b> |
| <b>Change in Biennial Totals</b>          |                    |             |                    |                    |             |                    |             | <b>(6,443,596)</b> |                    |             |

## FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source   | FY07 Actual       | FY08 Actual       | % Chg.       | FY09 Actual       | % Chg.       | FY10 Actual       | % Chg.        | FY11 Actual       | % Chg.       | FY11 Budget       | FY11<br>Variance | % Var.      |
|--|-------------------|-------------------|--------------|-------------------|--------------|-------------------|---------------|-------------------|--------------|-------------------|------------------|-------------|
| Tobacco Settlement Payments:                           |                   |                   |              |                   |              |                   |               |                   |              |                   |                  |             |
| - Base Payments  | 47,113,687        | 47,679,747        | 1.2%         | 52,579,385        | 10.3%        | 43,756,453        | -16.8%        | 41,484,712        | -5.2%        | 41,484,712        | 0                | 0.0%        |
| - Strategic Contribution Payments                      | 0                 | 10,539,443        | N/A          | 10,799,369        | 2.5%         | 9,375,838         | -13.2%        | 8,544,647         | -8.9%        | 8,544,647         | (0)              | 0.0%        |
| Racino Revenue *                                       | 3,538,805         | 3,735,774         | 5.6%         | 4,981,163         | 33.3%        | 4,500,000         | -9.7%         | 4,500,000         | 0.0%         | 4,500,000         | 0                | 0.0%        |
| Income from Investments                                | 297,803           | 64,695            | -78.3%       | 49,819            | -23.0%       | 20,511            | -58.8%        | 2,494             | -87.8%       | 3,766             | (1,272)          | -33.8%      |
| Attorney General Reimbursements<br>and Other Income ** | 217               | 25,080            | N/A          | 0                 | -100.0%      | (92,660)          | N/A           | (145,147)         | -56.6%       | (145,147)         | 0                | 0.0%        |
| <b>Total - FHM Revenue</b>                             | <b>50,950,512</b> | <b>62,044,739</b> | <b>21.8%</b> | <b>68,409,736</b> | <b>10.3%</b> | <b>57,560,142</b> | <b>-15.9%</b> | <b>54,386,707</b> | <b>-5.5%</b> | <b>54,387,978</b> | <b>(1,271)</b>   | <b>0.0%</b> |

\* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund. PL 2011 c. 380, Part II extended the \$4.5 million cap through 2012-13.

\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective July 1, 2011.

## FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source  | FY12 Budget       | % Chg.      | Recom. Chg.    | FY12 Revised      | % Chg.      | FY13 Budget       | % Chg.       | Recom. Chg.    | FY13 Revised      | % Chg.       |
|---|-------------------|-------------|----------------|-------------------|-------------|-------------------|--------------|----------------|-------------------|--------------|
| Tobacco Settlement Payments:                        |                   |             |                |                   |             |                   |              |                |                   |              |
| - Base Payments                                     | 41,479,554        | 0.0%        | 827,277        | 42,306,831        | 2.0%        | 41,024,383        | -1.1%        | 0              | 41,024,383        | -3.0%        |
| - Strategic Contribution Payments                   | 8,544,768         | 0.0%        | 157,449        | 8,702,217         | 1.8%        | 8,450,202         | -1.1%        | 0              | 8,450,202         | -2.9%        |
| Racino Revenue *                                    | 4,500,000         | 0.0%        | 0              | 4,500,000         | 0.0%        | 2,500,000         | -44.4%       | 0              | 2,500,000         | -44.4%       |
| Income from Investments                             | 3,296             | 32.1%       | 0              | 3,296             | 32.1%       | 3,756             | 14.0%        | 0              | 3,756             | 14.0%        |
| Attorney General Reimbursements and Other Income ** | 0                 | 100.0%      | 0              | 0                 | 100.0%      | 0                 | N/A          | 0              | 0                 | N/A          |
| <b>Total - FHM Revenue</b>                          | <b>54,527,618</b> | <b>0.3%</b> | <b>984,726</b> | <b>55,512,344</b> | <b>2.1%</b> | <b>51,978,341</b> | <b>-4.7%</b> | <b>0</b>       | <b>51,978,341</b> | <b>-6.4%</b> |
| <b>Change in Biennial Totals</b>                    |                   |             |                |                   |             |                   |              | <b>984,726</b> |                   |              |

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\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective

## FUND FOR A HEALTHY MAINE (FHM) REVENUE (TOBACCO SETTLEMENT REVENUE)

### REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - APRIL 2012 SPECIAL FORECAST

| Source  | FY14              |             | Recom. Chg. | FY14 Revised      |             | FY15              |              | Recom. Chg. | FY15 Revised      |              |  |
|---|-------------------|-------------|-------------|-------------------|-------------|-------------------|--------------|-------------|-------------------|--------------|--|
|   | Projection        | % Chg.      |             |                   | % Chg.      | Projection        | % Chg.       |             |                   | % Chg.       |  |
| Tobacco Settlement Payments:                        |                   |             |             |                   |             |                   |              |             |                   |              |  |
| - Base Payments                                     | 40,587,014        | -1.1%       | 0           | 40,587,014        | -1.1%       | 40,154,309        | -1.1%        | 0           | 40,154,309        | -1.1%        |  |
| - Strategic Contribution Payments                   | 8,359,943         | -1.1%       | 0           | 8,359,943         | -1.1%       | 8,270,648         | -1.1%        | 0           | 8,270,648         | -1.1%        |  |
| Racino Revenue *                                    | 5,217,390         | 108.7%      | 0           | 5,217,390         | 108.7%      | 5,321,738         | 2.0%         | 0           | 5,321,738         | 2.0%         |  |
| Income from Investments                             | 5,768             | 53.6%       | 0           | 5,768             | 53.6%       | 8,764             | 51.9%        | 0           | 8,764             | 51.9%        |  |
| Attorney General Reimbursements and Other Income ** | 0                 | N/A         | 0           | 0                 | N/A         | 0                 | N/A          | 0           | 0                 | N/A          |  |
| <b>Total - FHM Revenue</b>                          | <b>54,170,115</b> | <b>4.2%</b> | <b>0</b>    | <b>54,170,115</b> | <b>4.2%</b> | <b>53,755,459</b> | <b>-0.8%</b> | <b>0</b>    | <b>53,755,459</b> | <b>-0.8%</b> |  |
|   |                   |             |             |                   |             |                   |              | <b>0</b>    |                   |              |  |

\* Racino Revenue reflects that portion of the State's share of proceeds from slot machines at commercial race tracks designated for the Fund for a Healthy Maine. For fiscal years 2009-10, 2010-11, and 2011-12, PL 2009, c. 462, Pt. H. caps the proceeds transferred to the Fund for a Healthy Maine at \$4.5 million per year, with the balance transferred to the General Fund. PL 2011 c. 380, Part II extended the \$4.5 million cap through 2012-13.

\*\* Beginning in FY10, this category reflects revenue transfers from the Fund for a Healthy Maine to General Fund undedicated revenue to offset revenue reductions from the implementation of PL 2007, c. 467, which limited the sale of certain flavored cigars and cigarettes beginning July 1, 2009. PL 2011 c. 380, Part II eliminated this transfer effective