

Adjustments to Review Category Assignments

October 15, 2025

Note: OPEGA reviewed the document "Enacted Tax Legislation- 2025 Session" prepared by Maine Revenue Services to catalogue new, repealed or modified tax expenditures from statutory changes in 2025 and consulted the 2026-2027 Maine State Tax Expenditure Report for updated revenue loss estimates. Based on this information, OPEGA proposes the following category adjustments.

Expenditure Program Name	Brief Description	Tax Policy Goal	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified	Adjustment
Changes to Category A - Full Evaluation by OPEGA						
Major Food Processing & Manufacturing Facilities Expansion Credit	Refundable income tax credit for construction or expansion of a qualifying food processing and manufacturing facility in Maine.	Business Incentive- Targeted Industry	\$0	\$1,453,500	§5219-VV	Enacted by PL 2019, c.386 Amended by PL 2025, c. 489 Change: Delay Review until at least 2028
Credit for Affordable Housing	Taxpayer receiving a tax credit certificate from MSHA for an affordable housing project located in Maine may claim a refundable tax credit for that taxable year.	Specific Policy Goal/Mandate	\$14,250,000	\$14,250,000	§5219-WW	Enacted by PL 2019, c.555 Sunset 2028 Change: Move up in schedule to ensure review by 3.2027
Recommended Changes to Category C - No Review						
Sales Tax Exemptions for Durable Medical Equipment, Breast Pumps, and Mobility-Enhancing Equipment	Beginning January 1, 2026, the sale, including lease or rental, of durable medical equipment or breast pumps for home use, and mobility-enhancing equipment for home use or use in a motor vehicle, is exempt from sales tax.	Necessity of Life	Not available	Not available	§1752(1-L), (1-G), (1-K), (7-F), (8-C), & (11)	Enacted by PL 2025, c. 388 Change: Add to Category C
Income Subtraction Modification for Gain on Sale of Business to Cooperative Affordable Housing Corporation	For tax years beginning on or after January 1, 2025, to the extent included in federal adjusted gross income (for individuals) or federal taxable income (for corporations) and otherwise subject to Maine income tax, up to \$750,000 of gain recognized on the sale of a majority ownership interest in a qualified business is deductible in calculating Maine taxable income. The qualified business must provide housing and be transferred to a cooperative affordable housing corporation, or a municipal housing authority, or an affiliate of a municipal housing authority.	Tax Relief- Individuals	\$76,000 (fiscal note)	\$76,000 (fiscal note)	§5122(2)(AAA) & §5200-A(2)(JJ)	Enacted by PL 2025, c. 455 Change: Add to Category C
Credit for Modifications to Make Homes Accessible	Tax credit to individuals for a portion of the cost incurred in modifying a home to make it accessible for a person with a disability or physical hardship. Effective for tax years beginning on or after January 1, 2017 (repealed as of 2024 except for carry forwards)	Tax Relief- Individuals	Not in MSTER	Not in MSTER	§5219-PP	Enacted by PL 2017, c. 211 Repealed by PL 2023, c. 441 Change: Remove from Schedule

* Revenue Loss Estimates are from the Maine State Tax Expenditure Report (Red Book) unless otherwise noted.