Tax Expenditure Review Schedule for Category A (Full Evaluations)

10/15/2025

Policy Group	Expenditure Program Name	Brief Description	Tax Type	Expenditure Type	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Citation in Title 36	Enactment	Sunset
REVIEWS IN PROGRESS									
Business Incentive	Major Business Headquarters Expansion**	Refundable income tax credit for investment of a major business that expands or locates its headquarters in Maine when criteria are met.	Income	Credit	$760,000	$760,000	§5219-QQ	2017	Investment by 12.31.22; credits claimed for 20 years.
FUTURE REVIEWS									
Non-Business Incentives	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Income	Deduction	$340,000	$285,000	§5122(2)(N)	2001	No Sunset
Non-Business Incentives	Deduction for Interest and Dividends on U.S., Maine State and Local Securities- Corporate Income Tax	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Income	Deduction	$20,000 - $100,000	$20,000 - $100,000	§5200-A(2)(A), §5200-A(2)(K)	2000	No Sunset
Specific Policy Goal/Mandate	Credit for Affordable Housing ***GOC voted for review to be completed by 3.2027***	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.	Income	Credit	$14,250,000	$14,250,000	§5219-WW	2020	2028
Non-Business Incentives	Earned Income Credit	Tax credit equal a percentage of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit.	Income	Credit	$41,300,000[#]	$40,900,000[#]	§5219-S	2000	No Sunset
Tax Relief- Individuals	Additional Standard Deduction for the Blind and Elderly	Additional $1,550 standard deduction if single, or $1,250 if married available to taxpayers who are blind beginning in tax year 2016.	Income	Deduction	$10,850,000	$11,260,000	§5124-C	N/A	No Sunset
Tax Relief- Individuals	Income Tax Credit for Child & Dependent Care Expense	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Max of $500.	Income	Credit	$4,275,000	$4,445,000	§5218	2001	No Sunset
Tax Relief- Individuals	Deduction for Pension Income & IRA Distributions	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts.	Income	Deduction	$133,210,000	$141,710,000	§5122(2)(M)	N/A	No Sunset
Tax Relief- Individuals	Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	Income	Deduction	$157,160,000	$166,930,000	§5122(2)(C)	N/A	No Sunset
Non-Business Incentives	Student Loan Repayment Tax Credit	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree.	Income	Credit	$74,815,000	$77,800,000	§5217-E	2022	No Sunset
Tax Relief- Individuals	Property Tax Fairness Credit	Income tax credit for Maine residents based on a formula, involving the taxpayer's income, age and amount of property taxes paid.	Income	Credit	$118,145,000	$122,160,000	§5219-KK	2014	No Sunset
Tax Relief- Individuals	Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	Income	Credit	$28,355,000	$27,860,000	§5213-A, §5403(5)	2015	No Sunset

Business Incentive-Targeted Industry	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.	Income	Credit	$0	$1,453,500	§5219-VV	2019	Can be claimed in 2022, or first tax year after certificate of completion, and 19 years after.
Specific Policy Goal/Mandate	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps at a discount.	Other	Exemption	$1,182,000	$1,154,000	§4366-A(2)	2005	No Sunset
Specific Policy Goal/Mandate	Air & Water Pollution Control Facilities	Tax exemption on sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	Sales & Use	Exemption	$500,000 - $1,999,999	$500,000 - $1,999,999	§1760(29), §1760(30)	1969	No Sunset
Administrative Burden	Sales Through Coin Operated Vending Machines	Tax exemption on sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	Sales & Use	Exemption	$1,412,000	$1,473,000	§1760(34)	1981	No Sunset
Business Incentive	Dirigo Business Incentives Program Tax Credit	Income tax credit for qualified businesses that have been certified under the program and make eligible capital investments in eligible business property or that provide qualified training to its employees within the State.	Income	Credit	$44,783,000	$46,388,500	§5219-AAA	2023	No Sunset
Business Incentive-Targeted Industry	Qualified Professional Baseball Facilities Income Tax Credit	A qualified applicant that has made a qualified investment of at least $1M may be eligible for a refundable credit of up to $1.995M total over 15 years.	Income	Credit	$126,350	$126,350	§5219-BBB	2024	Investment must be made by November 30, 2026; credits claimed for 15 years.
COMPLETED REVIEWS; AWAITING ROUND 2 OF EVALUATION									
Business Incentive-Financial Incentives	New Markets Capital Investment Credit **(2017)**	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	Income	Credit	$841,000	$643,000	§5219-HH	2012	No Sunset; but program cap
Business Incentive-Job Creation	Employment Tax Increment Financing **(2019)**	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area.	Income	Reimbursement	$9,697,000	$6,745,000	Ch. 917	1996	No Sunset; enhanced benefits end in 2034 with PTDZ.
Business Incentive-Equip Investment	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE) **(2020)**	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	Property	Reimbursement	$73,596,000	$76,575,000	Ch. 105 (4-C)	2006	No Sunset
Business Incentive-Equip Investment	Reimbursement for Taxes Paid on Certain Business Property (BETR) **(2020)**	Reimbursement of property tax paid on qualified business property, with limitations.	Property	Reimbursement	$16,319,000	$15,358,000	Ch.915	1995	No Sunset; restrictions enacted in 2006 limit program entrance
Business Incentive-Financial Investment	Maine Seed Capital Tax Credit **(2021)**	Tax credit of up to 50% for capital investment in eligible businesses with limitations.	Income	Credit	$5,270,000	$5,470,000	§5216-B	1988	No Sunset
Business Incentive-Targeted Industry	Maine Historic Rehabilitation Tax Credit **(2021)**	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Tied to federal credit.	Income	Credit	$21,074,000	$22,707,000	§5219-BB	2008	2030
Business Incentive-Research Investment	Research Expense Tax Credit **(2022)**	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations.	Income	Credit	$3,950,000	$4,110,000	§5219-K	1995	No Sunset
Business Incentive-Targeted Industry	Tax Benefits for Media Production Companies **(2023)**	Tax credit and wage reimbursement for certified productions of visual media production companies.	Income	Credit	$230,000	$240,000	§5219-Y, §6902	2006	No sunset

Business Incentive-Targeted Industry	Shipbuilding Facility Investment Credit **(2024)**	Nonrefundable income tax credits for major business investments in a shipbuilding facility when criteria are met. Requires the credit to be reviewed by OPEGA by 2024.	Income	Credit	$2,968,750	$2,968,750	§5219-RR	2018	2034
Business Incentive-Targeted Industry	Paper Manufacturing Facility Investment Credit **(2024)**	Refundable income tax credit for major investments in a paper manufacturing facility when criteria are met.	Income	Credit	$1,520,000	$1,520,000	§5219-YY	2021	Investment by 12.31.23; credits claimed for 10 years.
Non-Business Incentives	**Special Project** on Student Loan Repayment Tax Credit **(2025)**	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree.	GOC assigned OPEGA a special project on 5.9.25 outside of the typical tax expenditure process to assess design changes for the credit over time and the impact on access, degree attainment in the state, and impact on revenue loss. The special project completed while more data is accumulating for a later full evaluation of the same credit.						

** FY26/FY27 Revenue Loss Estimates are from the Maine State Tax Expenditure Report (MSTER)*

***A limited scope design review of the Major Business Headquarters Expansion was conducted following enactment of the program.*

[#]The estimate is net of the transfer of TANF funds that partially offsets the General Fund loss.