

Governor LePage's Tax Reform & Relief Plan

	FY16	FY17	Biennium	FY18	FY19	Biennium
PART L - Phase-out Revenue Sharing (Effective July 1, 2015)						
General Fund	\$95,718,440	\$154,913,582	\$250,632,022	\$161,236,834	\$167,417,561	\$328,654,395
Local Government Fund	(\$95,718,440)	(\$154,913,582)	(\$250,632,022)	(\$161,236,834)	(\$167,417,561)	(\$328,654,395)
PART H - Phase-Down Individual Income Tax Top Marginal Tax Rate to 5.75% (Effective January 1, 2016)						
Individual Income Tax Changes	(\$163,538,800)	(\$418,267,125)	(\$581,805,925)	(\$449,318,810)	(\$489,417,446)	(\$938,736,256)
General Fund	(\$163,538,800)	(\$418,267,125)	(\$581,805,925)	(\$449,318,810)	(\$489,417,446)	(\$938,736,256)
Sales Tax Credit (Effective January 1, 2016)	(\$7,102,007)	(\$70,760,146)	(\$77,862,153)	(\$68,031,076)	(\$63,360,239)	(\$131,391,315)
General Fund	(\$7,102,007)	(\$70,760,146)	(\$77,862,153)	(\$68,031,076)	(\$63,360,239)	(\$131,391,315)
Expand Property Tax Fairness Credit (Effective January 1, 2016)	(\$5,769,794)	(\$57,640,242)	(\$63,410,036)	(\$57,035,500)	(\$57,712,294)	(\$114,747,794)
General Fund	(\$5,769,794)	(\$57,640,242)	(\$63,410,036)	(\$57,035,500)	(\$57,712,294)	(\$114,747,794)
Total Individual Income Tax Changes	(\$176,410,601)	(\$546,667,513)	(\$723,078,114)	(\$574,385,386)	(\$610,489,980)	(\$1,184,875,366)
General Fund	(\$176,410,601)	(\$546,667,513)	(\$723,078,114)	(\$574,385,386)	(\$610,489,980)	(\$1,184,875,366)
PART F - Increase Sales & Use Rate to 6.5% & SPT Rate to 6% (Rate Increase Effective January 1, 2016; Maintain Temporary Sales Tax Increase July-December 2015)						
General Sales and Use Tax Rate Changes	\$155,641,737	\$252,856,600	\$408,498,337	\$264,038,300	\$275,905,300	\$539,943,600
General Fund	\$155,641,737	\$252,856,600	\$408,498,337	\$264,038,300	\$275,905,300	\$539,943,600
Service Provider Tax Rate Changes	\$7,763,363	\$13,813,400	\$21,576,763	\$14,541,700	\$15,224,700	\$29,766,400
General Fund	\$7,763,363	\$13,813,400	\$21,576,763	\$14,541,700	\$15,224,700	\$29,766,400
General Sales and Use Base Expansion	\$39,857,475	\$118,961,300	\$158,818,775	\$123,820,200	\$128,353,000	\$252,173,200
General Fund	\$39,857,475	\$118,961,300	\$158,818,775	\$123,820,200	\$128,353,000	\$252,173,200
Reduce Meals to 6.5% and Maintain Lodging Rate @ 8%	\$20,606,480	(\$4,911,300)	\$15,695,180	(\$5,170,200)	(\$5,413,000)	(\$10,583,200)
General Fund	\$20,606,480	(\$6,543,125)	\$14,063,355	(\$7,017,461)	(\$7,522,690)	(\$14,540,151)
Transfers to Tourism Fund	\$0	\$1,631,825	\$1,631,825	\$1,847,261	\$2,109,690	\$3,956,951
Other Prepared Food	\$4,735,500	\$14,110,000	\$18,845,500	\$14,670,000	\$15,190,000	\$29,860,000
General Fund	\$4,735,500	\$14,110,000	\$18,845,500	\$14,670,000	\$15,190,000	\$29,860,000
Increase Use Tax Formula	\$0	\$450,000	\$450,000	\$510,000	\$570,000	\$1,080,000
General Fund	\$0	\$450,000	\$450,000	\$510,000	\$570,000	\$1,080,000
Reduce Auto Rental Tax to 8%	\$0	(\$429,474)	(\$429,474)	(\$1,431,579)	(\$1,431,579)	(\$2,863,158)
Repeal Refund Provision	\$0	\$250,000	\$250,000	\$500,000	\$500,000	\$1,000,000
Transfer to Multimodal Transportation Fund	\$0	(\$179,474)	(\$179,474)	(\$931,579)	(\$931,579)	(\$1,863,158)
Retailer Discount Equal to Lesser of 0.5% or \$1,000 per period	(\$2,100,000)	(\$4,200,000)	(\$6,300,000)	(\$4,200,000)	(\$4,200,000)	(\$8,400,000)
General Fund	(\$2,100,000)	(\$4,200,000)	(\$6,300,000)	(\$4,200,000)	(\$4,200,000)	(\$8,400,000)
Total Sales & Use and Service Provider Tax Changes	\$226,504,555	\$390,650,526	\$617,155,081	\$406,778,421	\$424,198,421	\$830,976,842
General Fund	\$226,504,555	\$389,448,175	\$615,952,730	\$406,362,739	\$423,520,310	\$829,883,049
Transfers to Tourism Marketing Fund	\$0	\$1,631,825	\$1,631,825	\$1,847,261	\$2,109,690	\$3,956,951
Transfer to Multimodal Transportation Fund	\$0	(\$179,474)	(\$179,474)	(\$931,579)	(\$931,579)	(\$1,863,158)
PART G - Increase Estate Tax Exemption to Match Federal and then Repeal (Effective January 1, 2016)						
General Fund	\$0	(\$14,096,027)	(\$14,096,027)	(\$32,845,671)	(\$37,094,841)	(\$69,940,512)
PART H - Phase-Down Corporate Income Tax Top Marginal Tax Rate to 6.75% (Effective January 1, 2017)						
Corporate Income Tax Changes	(\$1,050,000)	(\$7,531,355)	(\$8,581,355)	(\$19,826,988)	(\$29,841,010)	(\$49,667,998)
General Fund	(\$1,050,000)	(\$7,531,355)	(\$8,581,355)	(\$19,826,988)	(\$29,841,010)	(\$49,667,998)
PART A - Transfer Telecommunications Excise Tax to Municipalities (Effective April 1, 2016)						
Repeal Telecommunications Excise Tax						
General Fund	(\$8,250,000)	(\$8,250,000)	(\$16,500,000)	(\$8,250,000)	(\$8,250,000)	(\$16,500,000)
PART D - Transition From BETR to BETE (Effective April 1, 2016)						
BETR						
General Fund	\$3,500,000	\$3,200,000	\$6,700,000	\$6,720,000	\$11,968,000	\$18,688,000
BETE						
General Fund	\$0	(\$6,380,308)	(\$6,380,308)	(\$12,040,258)	(\$17,080,841)	(\$29,121,099)
Total BETR/BETE Changes	\$3,500,000	(\$3,180,308)	\$319,692	(\$5,320,258)	(\$5,112,841)	(\$10,433,099)
General Fund	\$3,500,000	(\$3,180,308)	\$319,692	(\$5,320,258)	(\$5,112,841)	(\$10,433,099)
Total Impact						
	FY16	FY17	Biennium	FY18	FY19	Biennium
General Fund Revenues	\$140,012,394	(\$35,363,445)	\$104,648,949	(\$73,028,729)	(\$99,850,801)	(\$172,879,530)
Local Government Fund	(\$95,718,440)	(\$154,913,582)	(\$250,632,022)	(\$161,236,834)	(\$167,417,561)	(\$328,654,395)
Tourism Marketing Fund	\$0	\$1,631,825	\$1,631,825	\$1,847,261	\$2,109,690	\$3,956,951
Transfer to Multimodal Transportation Fund	\$0	(\$179,474)	(\$179,474)	(\$931,579)	(\$931,579)	(\$1,863,158)
Net Change in State Taxes	\$44,293,954	(\$189,074,676)	(\$144,780,722)	(\$233,849,881)	(\$266,590,251)	(\$500,440,132)
Part C - Elderly Homestead Exemption (Effective 4/1/15)	(\$8,883,750)	(\$11,793,125)	(\$20,676,875)	(\$11,675,375)	(\$11,867,375)	(\$23,542,750)
Impact on GF Budget	\$148,896,144	(\$23,570,320)	\$125,325,824	(\$61,353,354)	(\$87,983,426)	(\$149,336,780)