

## Full Review Schedule (Category A) - Approved by GOC 9/21/22

ID #	Policy Group	Expenditure Program Name	Brief Description	Tax Type	Expenditure Type	FY22 Revenue Loss Estimate*	FY23 + Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified	Enactment	Sunset
<b>REVIEWS IN PROGRESS</b>										
5	Business Incentive-Targeted Industry	Tax Benefits for Media Production Companies	Tax credit (5% of nonwage production expenses, if >\$75,000) and reimbursement (12% of production wages) for certified productions of visual media production companies.	Income	Credit	\$150,000	\$150,000	§5219-Y, §6902	2006	no sunset
14	Business Incentive-Targeted Industry	Deduction for Contributions to Capital Construction Funds for maintenance or replacement of fishing vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	Income	Deduction	\$520,000	\$520,000	§5122(2)(I)	1996	no sunset
<b>FUTURE REVIEWS</b>										
171	Business Incentive-Targeted Industry	Shipbuilding Facility Credit	Nonrefundable income tax credit for 15 years (from tax years beginning on or after January 1, 2020) for major investments in a shipbuilding facility when criteria are met. Requires the credit to be reviewed by 2024 by OPEGA. <i>(Replaced a prior shipbuilding credit that had different parameters which expired in 2018.)</i>	Income	Deduction	\$2,850,000	\$2,850,000	§5219-RR (previously §919)	2018	2034
7**	Business Incentive	Major Business Headquarters Expansion	Refundable credit of 2% of taxpayer's investment for a major business that expands or locates its headquarters in Maine and hires the required number of new employees.	Income	Credit	\$0	\$760,000	§5219-QQ	2017	To qualify, investment must be made by 12/31/22; credits may be claimed for 20 years
185	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. Credit amount is equal to 1.8% of the taxpayer's qualified investment.	Income	Credit	\$0	\$1,111,500	§5219-VV	2019	2024
193	Business Incentive-Targeted Industry	Income tax credit for paper manufacturing facility investment	Refundable income tax credit may be claimed by a paper manufacturer certified by DECD as a qualified applicant. Credit is 4% of applicant's investment.	Income	Credit	\$0	FY23: \$0; FY24 \$793,000; FY25 \$1,520,000	5219-YY	2021	To qualify, investment must be made by 12/31/23
172	Non-Business Incentives (Various)	Employer credit for family and medical leave	Tax credit (for tax years beginning in 2018 and 2019) under the income tax and insurance premium tax equal to the federal credit for employer-paid family and medical leave. The credit is nonrefundable.	Income	Credit	\$40,000	\$0	§5219-UU, §2536	2018	2025 (due to federal credit sunset)
16 NEW	Non-Business Incentives (Various)	<b>NEW: Student loan repayment tax credit</b>	<b>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. <i>(Replaced the Credit for Educational Opportunity which existed in various forms since 2007)</i></b>	Income	Credit	\$0	<b>FY23: \$55,731,431; FY24: \$48,732,229; FY25: \$49,400,000</b>	<b>§5217-E</b>	<b>2022</b>	<b>no sunset</b>
19	Non-Business Incentives (Various)	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	\$45,000	\$40,000	§5122(2)(N)	2001	none
20	Non-Business Incentives (Various)	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	none

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18	Non-Business Incentives (Various)	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. Note: The estimate is net of the transfer of TANF funds that partially offsets the General Fund loss. Without this transfer, the General Fund revenue loss would be approximately \$24.7 million in FY22 and FY23.	Income	Credit	\$16,630,000	\$16,630,000	§5219-S	2000	none
37	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	\$10,400,000	\$10,900,000	§5124-C	N/A	N/A
29	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	\$4,150,000	\$4,150,000	§5218	2001	no sunset
30	Tax Relief-Individuals	Deduction for Pension Income & IRA Distributions ( <b>NEW limits</b> )	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts, up to \$10,000. (Based on PL 2021 c.635 PtDDD, in tax year 2022, the deduction limit increases to \$25,000. In 2023, it is a \$30,000 limit, and in 2024 the deduction limit is \$35,000.)	Income	Deduction	\$31,200,000	FY23: \$34,960,000; FY24: \$47,880,000; FY25: \$62,605,000	§5122(2)(M)	N/A	N/A
31	Tax Relief-Individuals	Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	Income	Deduction	\$110,200,000	\$119,600,000	§5122(2)(C)	N/A	N/A
32	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	\$35,350,000	\$35,350,000	§5219-KK	2014	no sunset
27	Tax Relief-Individuals	Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	Income	Credit	\$23,800,000	\$23,500,000	§5213-A, §5403(5)	2015	no sunset
<b>211 NEW</b>	<b>Tax Relief-Individuals</b>	<b>NEW: Homesteads of Senior Residents</b>	<b>Allows certain senior residents to stabilize, or freeze, the property taxes on their homestead. An applicant must be at least 65 years old, a permanent resident of the State, and must have owned a Maine homestead for at least ten years. As long as the individual files an application each year, the tax is fixed at the amount assessed in the year prior to the initial application. Eligible residents may transfer the fixed tax amount to a new homestead, even between municipalities. The State will fully reimburse municipalities for lost revenue.</b>	<b>Property</b>	<b>Exemption</b>	<b>\$0</b>	<b>FY23: \$315,242; FY24: \$2,252,472; FY25: \$7,044,315</b>	<b>§6281</b>	<b>2022</b>	<b>no sunset</b>
33	Tax Relief-Targeted Industry	Railroad Track Materials	Tax exemption on sales of railroad track materials for installation on railroad lines within the State.	Sales & Use	Exemption	\$670,000	\$680,000	§1760(52)	1986	no sunset
34	Tax Relief-Targeted Industry	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair or maintenance of a windjammer providing commercial cruises.	Sales & Use	Refund	\$50,000 - \$249,999	\$50,000 - \$249,999	§2020	2011	no sunset

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36	Tax Relief-Targeted Industry	Certain Telecommunications Services	Tax exemption on sales of interstate and international telecommunications services.	Service Provider	Exemption	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§2557(33), 2557(34)	2015	no sunset
189	Specific Policy Goal/Mandate	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. Credit is equal to either (1) the total federal low-income housing tax credit claimed under IRC section 42 using entire federal credit period for all buildings in a qualified Maine project, or (2) an amount equal to the lesser of \$500,000 or 50% of the qualified basis of an affordable housing project that incurs at least \$100K includable in eligible basis in construction or rehabilitation of an affordable housing project for which IRC section 42 is not claimed.	Income	Credit	\$8,645,000	\$9,500,000	§5219-WW	2020	2028
154	Specific Policy Goal/Mandate	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps with a face value of \$2 at a discount of 1.15%. (General Fund)	Other	Exemption	\$1,347,621	\$1,320,665	§4366-A(2)	2005	no sunset
155	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 - \$1,999,998	\$500,000 - \$1,999,998	§1760(29), §1760(30)	1969	no sunset
165	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	\$1,000,000	\$1,000,000	§1760(34)	1981	no sunset

\* FY22/FY23 Revenue Loss Estimates are from the Maine State Tax Expenditure Report (Red Book). FY24/FY25 Estimates are from Fiscal Notes. Revenue Loss Estimates may be marked N/A because the amount of the fiscal note could not be segregated for the individual tax expenditures.

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