



131st MAINE LEGISLATURE

LD 1338

LR 1962(02)

An Act to Amend the Maine Exclusion Amount in the Estate Tax

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$576,681	\$760,634	\$787,078	\$814,475
Appropriations/Allocations				
General Fund	\$576,681	\$760,634	\$787,078	\$814,475
Other Special Revenue Funds	\$0	\$13,500,000	\$18,405,000	\$18,957,150
Revenue				
General Fund	\$0	\$13,500,000	\$18,405,000	\$18,957,150
Transfers				
General Fund	\$0	(\$13,500,000)	(\$18,405,000)	(\$18,957,150)
Other Special Revenue Funds	\$0	\$13,500,000	\$18,405,000	\$18,957,150

Fiscal Detail and Notes

This bill reduces the Maine estate tax exclusion amount from \$5,600,000 to \$3,000,000 for decedents dying on or after January 1, 2024 and creates an additional exclusion from the estate tax of \$4,000,000 for farmland and depreciable machinery and equipment used for commercial agriculture, aquaculture, fishing and wood harvesting that is part of an estate of a decedent dying on or after January 1, 2024. These changes will increase General Fund revenue from the estate tax by \$13,500,000 in fiscal year 2024-25. The bill directs this revenue to be credited to the Maine State Housing Authority solely to support affordable housing, including housing for veterans and includes an Other Special Revenue Funds allocation of \$13,500,000 in fiscal year 2024-25 to authorize expenditure of the revenue.

This bill also includes ongoing General Fund appropriations to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$576,681 in fiscal year 2023-24 and \$760,634 in fiscal year 2024-25 for one Tax Section Manager position, 2 Senior Tax Examiner positions and 3 Tax Examiner II positions, effective October 1, 2023, to process and audit additional estate tax returns, the additional exclusion amount and potential related tax recapture. The bureau estimates the number of estate tax returns will increase by approximately 250%, from 70 to 180 per year.