



# March 2026 Revenue Forecast

Maine Revenue Services – Office of Tax Policy  
February 26, 2026

# Review of December 1, 2025 RFC Forecast

- RFC revised General Fund revenue estimates upward by \$165.0 million for FY26 and by \$83.3 million for FY27 for a total increase of \$248.4 million (2.2%) for the 2026-2027 biennium. Also increased projections for FY28 by \$77.2 million and for FY29 by \$90.5 million.
- Individual Income Tax Revenue estimates were revised upward by \$105.0 million for FY26, \$53.0 million for FY27, \$50.0 million for FY28 and \$64.0 million for FY29. The primary source of the upward reprojection was updated information on tax year 2024 and incoming information on the strength of tax year 2025.
- Sales and Use Tax and Service Provider Tax (SPT) estimates were revised upward by \$34.3 million for FY26, \$32.2 million for FY27, \$22.6 million for FY28 and \$29.0 million for FY29. The new CEFC forecast assumed higher growth in personal income in 2025 followed by similar growth in 2026- 29 resulting in higher spending in every year. Higher personal saving rates, particularly in 2027-29, partially offset the impact of higher income in the later years. Combined with the changes to the PCE composition forecast, this gives positive revisions to the Sales & Use Tax forecast every year.
- Corporate Income Tax Revenue estimates were revised downward by -\$4.0 million for FY26, -\$10.6 million for FY27, -\$11.4 million for FY28 and -\$13.7 million for FY29. Through October, corporate payments were under budget by \$4.8 million and were 16.5% below the same period of FY25. Corporations continue to adjust their payments to the state reflecting the overpayments they have made over previous years. In addition, new and expanded tax credits and a less optimistic CEFC forecast of pre-tax corporate profits in tax year 2024 are resulted in reduced corporate receipts over the forecast period.



# FY26 GF Revenues Relative to Budget

Exhibit I

STATE OF MAINE  
Undedicated Revenues - General Fund  
For the Seventh Month Ended January 31, 2026  
For the Fiscal Year Ending June 30, 2026  
Comparison to Budget

PRELIMINARY AND TENTATIVE  
FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2026
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 201,129,233	\$ 215,662,515	\$ (14,533,282)	(6.7)%	\$ 1,494,134,101	\$ 1,506,896,762	\$ (12,762,661)	(0.8)%	\$ 2,399,482,973
Service Provider Tax	3,714,497	3,213,791	500,706	15.6 %	26,819,098	26,058,860	760,238	2.9 %	26,058,860
Individual Income Tax	309,082,444	345,772,849	(36,690,405)	(10.6)%	1,738,319,877	1,775,417,121	(37,097,244)	(2.1)%	2,785,528,319
Corporate Income Tax	2,704,737	20,095,664	(17,390,927)	(86.5)%	169,797,395	197,143,306	(27,345,911)	(13.9)%	371,999,999
Cigarette and Tobacco Tax	13,097,336	18,492,005	(5,394,669)	(29.2)%	91,708,956	97,988,555	(6,279,599)	(6.4)%	183,934,931
Insurance Companies Tax	455,773	137,697	318,076	231.0 %	20,419,853	19,857,971	561,882	2.8 %	133,611,000
Estate Tax	805,004	4,508,333	(3,703,329)	(82.1)%	34,761,406	38,285,438	(3,524,032)	(9.2)%	61,730,000
Fines, Forfeits & Penalties	2,362,463	1,477,298	885,165	59.9 %	11,791,816	11,639,618	152,198	1.3 %	16,636,207
Income from Investments	3,711,066	3,575,568	135,498	3.8 %	25,529,782	25,285,931	243,851	1.0 %	42,059,604
Transfer from Lottery Commission	5,942,338	7,500,000	(1,557,663)	(20.8)%	52,103,523	46,500,000	5,603,523	12.1 %	78,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(7,819,090)	(4,766,690)	(3,052,400)	(64.0)%	(73,933,754)	(72,142,939)	(1,790,815)	(2.5)%	(82,994,000)
Transfer to Municipal Revenue Sharing	(25,200,110)	(25,618,291)	418,181	1.6 %	(173,292,017)	(173,712,033)	420,016	0.2 %	(283,367,645)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(118,509,077)	-	- %	(118,509,077)
Other Taxes and Fees	13,573,927	9,868,125	3,705,802	37.6 %	107,793,389	96,863,103	10,930,286	11.3 %	155,647,629
Other Revenues	(1,563,963)	2,653,237	(4,217,200)	(158.9)%	(30,478,714)	(28,981,101)	(1,497,613)	(5.2)%	(765,953)
<b>Total Collected</b>	<b>\$ 521,995,655</b>	<b>\$ 602,572,101</b>	<b>\$ (80,576,446)</b>	<b>(13.4)%</b>	<b>\$ 3,383,965,633</b>	<b>\$ 3,455,591,515</b>	<b>\$ (71,625,882)</b>	<b>(2.1)%</b>	<b>\$ 5,776,052,847</b>

NOTES:

- (1) Included in the above is \$25,200,110 for the month and \$173,292,017 year to date, that was set aside for Revenue Sharing with cities and towns.
- (2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in December 2025, laws enacted through the 132nd Legislature, 1st Regular Session and for all laws and any emergency laws.
- (3) This report has been prepared from preliminary month end figures and is subject to change.



# FY26 GF Revenues Relative to FY25

Exhibit II

**STATE OF MAINE**  
**Undedicated Revenues - General Fund**  
**For the Seventh Month Ended January 31, 2026 and 2025**  
**For the Fiscal Year Ending June 30, 2026 and 2025**  
**Comparison to To Prior Year**

**PRELIMINARY AND TENTATIVE  
 FOR VERIFICATION PURPOSES & INTERNAL USE ONLY**

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Sales and Use Tax	\$ 201,129,233	\$ 206,922,879	\$ (5,793,646)	(2.8)%	\$ 1,494,134,101	\$ 1,467,393,102	\$ 26,740,998	1.8 %
Service Provider Tax	3,714,497	5,783,704	(2,069,208)	(35.8)%	26,819,098	28,846,812	(2,027,713)	(7.0)%
Individual Income Tax	309,082,444	292,650,964	16,431,480	5.6 %	1,738,319,877	1,699,180,177	39,139,700	2.3 %
Corporate Income Tax	2,704,737	25,479,212	(22,774,475)	(89.4)%	169,797,395	232,510,464	(62,713,069)	(27.0)%
Cigarette and Tobacco Tax	13,097,336	12,724,213	373,123	2.9 %	91,708,956	90,811,074	897,882	1.0 %
Insurance Companies Tax	455,773	725,693	(269,920)	(37.2)%	20,419,853	21,602,418	(1,182,565)	(5.5)%
Estate Tax	805,004	18,401,380	(17,596,375)	(95.6)%	34,761,406	40,598,314	(5,836,908)	(14.4)%
Fines, Forfeits & Penalties	2,362,463	1,671,883	690,580	41.3 %	11,791,816	4,741,764	7,050,052	148.7 %
Income from Investments	3,711,066	5,868,689	(2,157,623)	(36.8)%	25,529,782	37,933,039	(12,403,257)	(32.7)%
Transfer from Lottery Commission	5,942,338	5,315,713	626,624	11.8 %	52,103,523	43,734,305	8,369,219	19.1 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %
Transfers for Tax Relief Programs	(7,819,090)	(5,019,167)	(2,799,923)	(55.8)%	(73,933,754)	(76,548,244)	2,614,490	3.4 %
Transfer to Municipal Revenue Sharing	(25,200,110)	(24,431,634)	(768,476)	(3.1)%	(173,292,017)	(172,700,961)	(591,056)	(0.3)%
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(118,509,077)	(115,811,095)	(2,697,983)	(2.3)%
Other Taxes and Fees	13,573,927	9,180,316	4,393,611	47.9 %	107,793,389	92,133,697	15,659,691	17.0 %
Other Revenues	(1,563,963)	3,940,323	(5,504,287)	(139.7)%	(30,478,714)	(17,324,988)	(13,153,726)	(75.9)%
<b>Total Collected</b>	<b>\$ 521,995,655</b>	<b>\$ 559,214,169</b>	<b>\$ (37,218,515)</b>	<b>(6.7)%</b>	<b>\$ 3,383,965,633</b>	<b>\$ 3,384,099,878</b>	<b>\$ (134,245)</b>	<b>- %</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.



# FY26 HWF Revenues Relative to Budget

**STATE OF MAINE**  
**Undedicated Revenues - Highway Fund**  
**For the Seventh Month Ended January 31, 2026**  
**For the Fiscal Year Ending June 30, 2026**  
**Comparison to Budget**

Exhibit V

**PRELIMINARY AND TENTATIVE  
 FOR VERIFICATION PURPOSES & INTERNAL USE ONLY**

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2026
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 19,976,371	\$ 19,753,689	\$ 222,682	1.1 %	\$ 150,865,862	\$ 149,149,942	\$ 1,715,920	1.2 %	\$ 243,491,232
Motor Vehicle Registration & Fees	7,954,296	10,058,643	(2,104,347)	(20.9)%	69,484,701	66,653,957	2,830,744	4.2 %	115,685,431
Motor Vehicle Inspection Fees	525,455	266,874	258,581	96.9 %	2,148,118	1,868,118	280,000	15.0 %	3,202,500
Miscellaneous Taxes & Fees	122,165	47,694	74,471	156.1 %	979,378	372,348	607,030	163.0 %	1,418,970
Fines, Forfeits & Penalties	78,864	42,600	36,264	85.1 %	605,383	283,919	321,464	113.2 %	606,412
Earnings on Investments	254,265	310,264	(55,999)	(18.0)%	2,123,067	2,221,592	(98,525)	(4.4)%	3,303,683
Auto Sales Tax Transfer from General Fund	-	-	-	- %	118,509,077	118,509,077	0	- %	118,509,077
Fuel Tax Transfer to Transcap	(2,052,134)	(2,004,773)	(47,361)	(2.4)%	(15,573,914)	(15,466,053)	(107,861)	(0.7)%	(24,957,852)
Auto Sales Tax Transfer to Transcap	-	-	-	- %	(26,071,997)	(26,071,997)	(0)	- %	(26,071,997)
Transfer from Liquor Commission	5,007,359	5,500,000	(492,641)	(9.0)%	29,622,024	31,500,000	(1,877,976)	(6.0)%	59,000,000
All Other	520,502	104,705	415,797	397.1 %	4,431,277	8,405,708	(3,974,431)	(47.3)%	12,278,879
<b>Total Collected</b>	<b>\$ 32,387,142</b>	<b>\$ 34,079,696</b>	<b>\$ (1,692,554)</b>	<b>(5.0)%</b>	<b>\$ 337,122,977</b>	<b>\$ 337,426,611</b>	<b>\$ (303,634)</b>	<b>(0.1)%</b>	<b>\$ 506,466,335</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.



# FY26 HWF Revenues Relative to FY25

Ext

## STATE OF MAINE

### Undedicated Revenues - Highway Fund

For the Seventh Month Ended January 31, 2026 and 2025

For the Fiscal Year Ending June 30, 2026 and 2025

Comparison to To Prior Year

### PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 19,976,371	\$ 21,336,196	\$ (1,359,825)	(6.4)%	\$ 150,865,862	\$ 152,508,270	\$ (1,642,408)	(1.1)%
Motor Vehicle Registration & Fees	7,954,296	9,358,954	(1,404,658)	(15.0)%	69,484,701	69,149,414	335,287	0.5 %
Motor Vehicle Inspection Fees	525,455	904,332	(378,878)	(41.9)%	2,148,118	2,242,543	(94,425)	(4.2)%
Miscellaneous Taxes & Fees	122,165	94,627	27,538	29.1 %	979,378	1,030,698	(51,319)	(5.0)%
Fines, Forfeits & Penalties	78,864	79,858	(994)	(1.2)%	605,383	604,117	1,266	0.2 %
Earnings on Investments	254,265	358,497	(104,232)	(29.1)%	2,123,067	2,400,670	(277,603)	(11.6)%
Auto Sales Tax Transfer from General Fund	-	-	-	- %	118,509,077	115,811,095	2,697,983	2.3 %
Fuel Tax Transfer to Transcap	(2,052,134)	(2,186,960)	134,826	6.2 %	(15,573,914)	(15,657,636)	83,722	0.5 %
Motor Vehicle Registration & Fees Transfer to Transcap	-	-	-	- %	-	(8,542,232)	8,542,232	100.0 %
Auto Sales Tax Transfer to Transcap	-	-	-	- %	(26,071,997)	-	(26,071,997)	- %
Transfer from Liquor Commission	5,007,359	5,129,704	(122,345)	(2.4)%	29,622,024	35,984,678	(6,362,654)	(17.7)%
All Other	520,502	190,657	329,845	173.0 %	4,431,277	11,396,929	(6,965,652)	(61.1)%
<b>Total Collected</b>	<b>\$ 32,387,142</b>	<b>\$ 35,265,865</b>	<b>\$ (2,878,723)</b>	<b>(8.2)%</b>	<b>\$ 337,122,977</b>	<b>\$ 366,928,545</b>	<b>\$ (29,805,568)</b>	<b>(8.1)%</b>

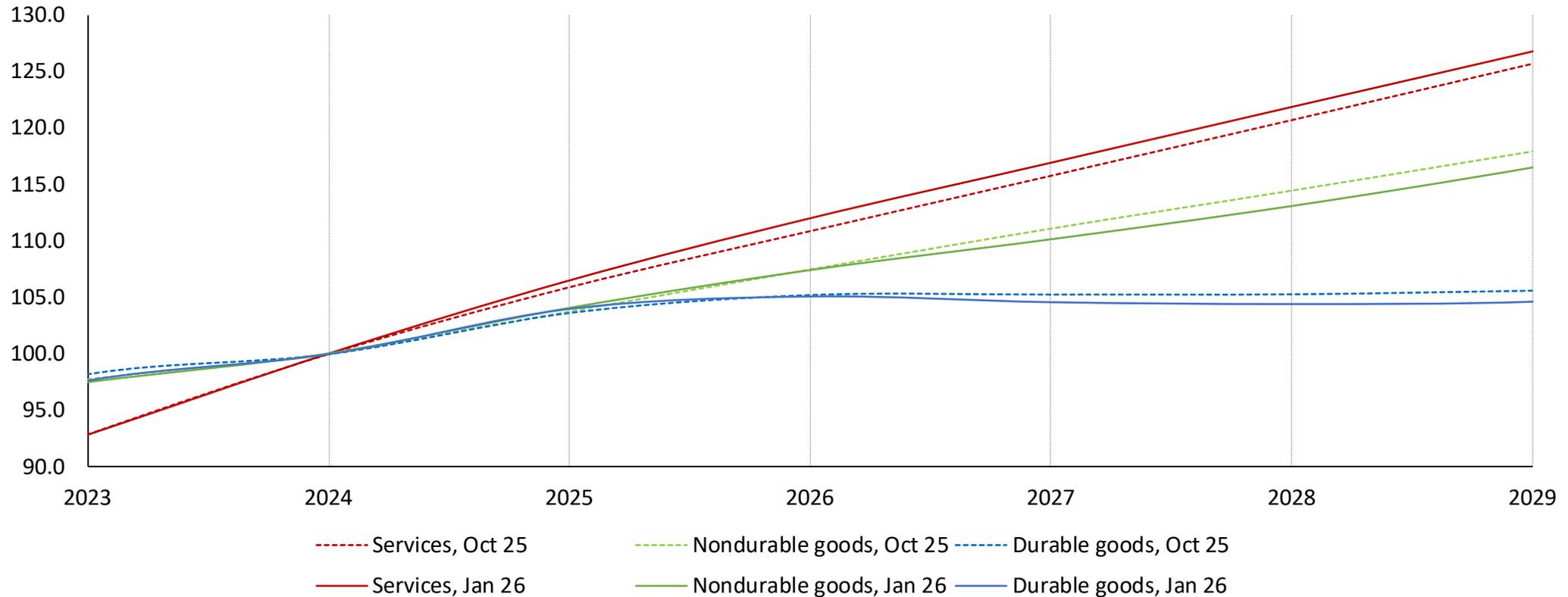
NOTE: This report has been prepared from preliminary month end figures and is subject to change.



# Sales & Use Tax and Service Provider Tax

# PCE Composition – Moody's baseline forecast

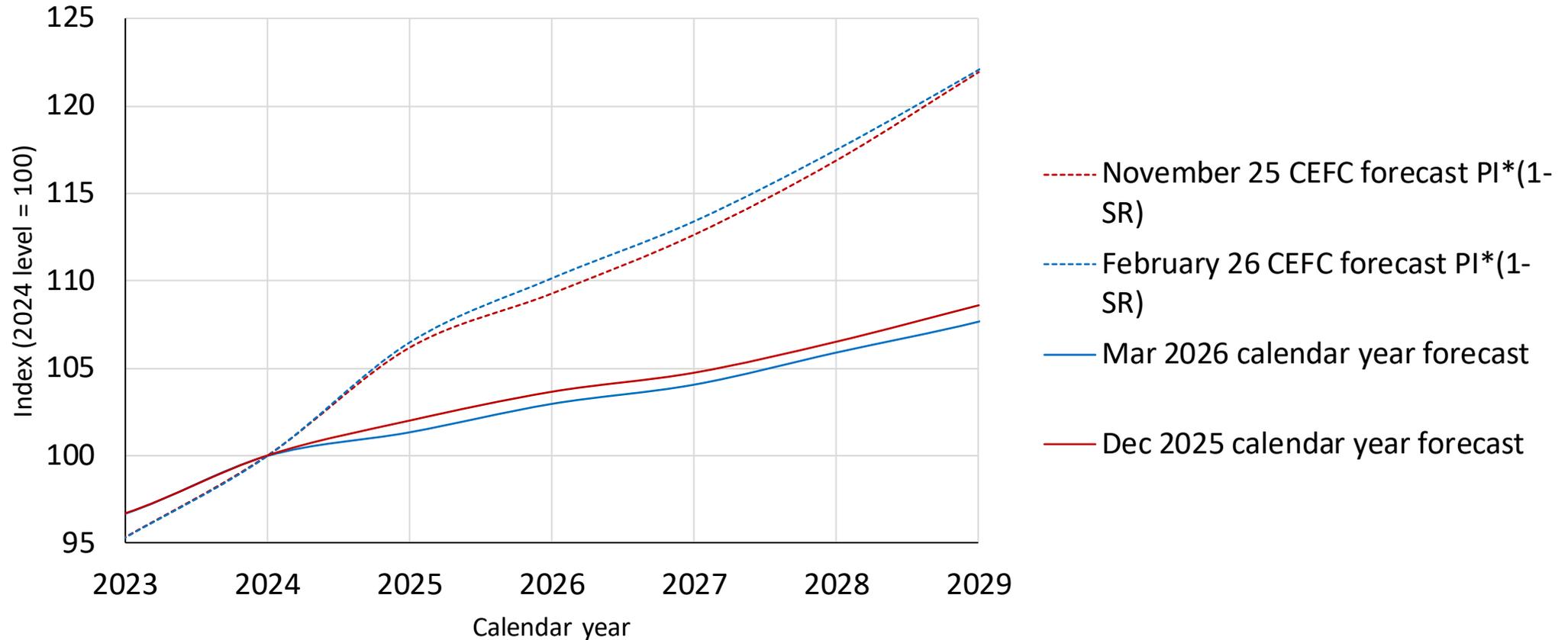
PCE component indices (2024 level = 100)



- New PCE forecast features higher services spending and lower spending on both durable and nondurable goods.



# Forecast of Revenue and Consumer Spending



- New CEFC forecast implies slightly higher consumer spending in each year.
- Lower goods spending and negative variances since the December forecast give negative revisions to the revenue forecast in each year.



# Sales and Use Tax History and Forecast

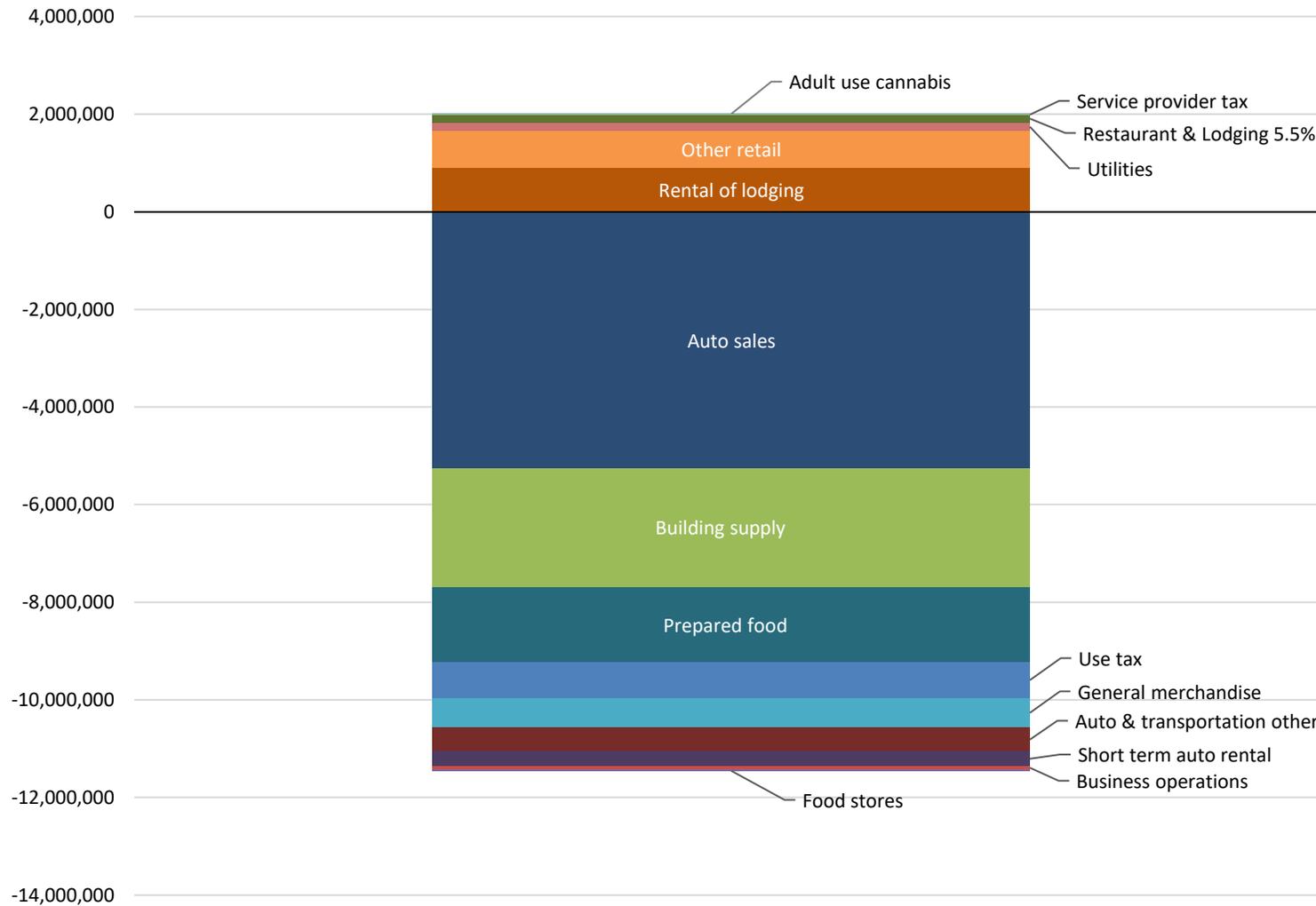
## \$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$2,262.23	4.10%		
2025	\$2,313.91	2.28%		
2026	\$2,377.16	2.73%	-\$22.32	-0.93%
2027	\$2,440.62	2.67%	-\$16.98	-0.69%
2028	\$2,489.28	1.99%	-\$15.47	-0.62%
2029	\$2,528.61	1.58%	-\$16.91	-0.66%

- FY26 through January is \$12.76 million under budget and is forecast to end the fiscal year \$22.32 below the current budget.
- Slightly smaller negative revisions throughout the forecast period.
- Growth rates in FY26 and FY27 are elevated by legislative changes that took effect in January (SPT items moved under Sales Tax, taxation of streaming services, and higher adult use cannabis sales tax rate).



# Taxable sales variance by category (Oct-Dec sales)



# Source of Forecast Adjustments

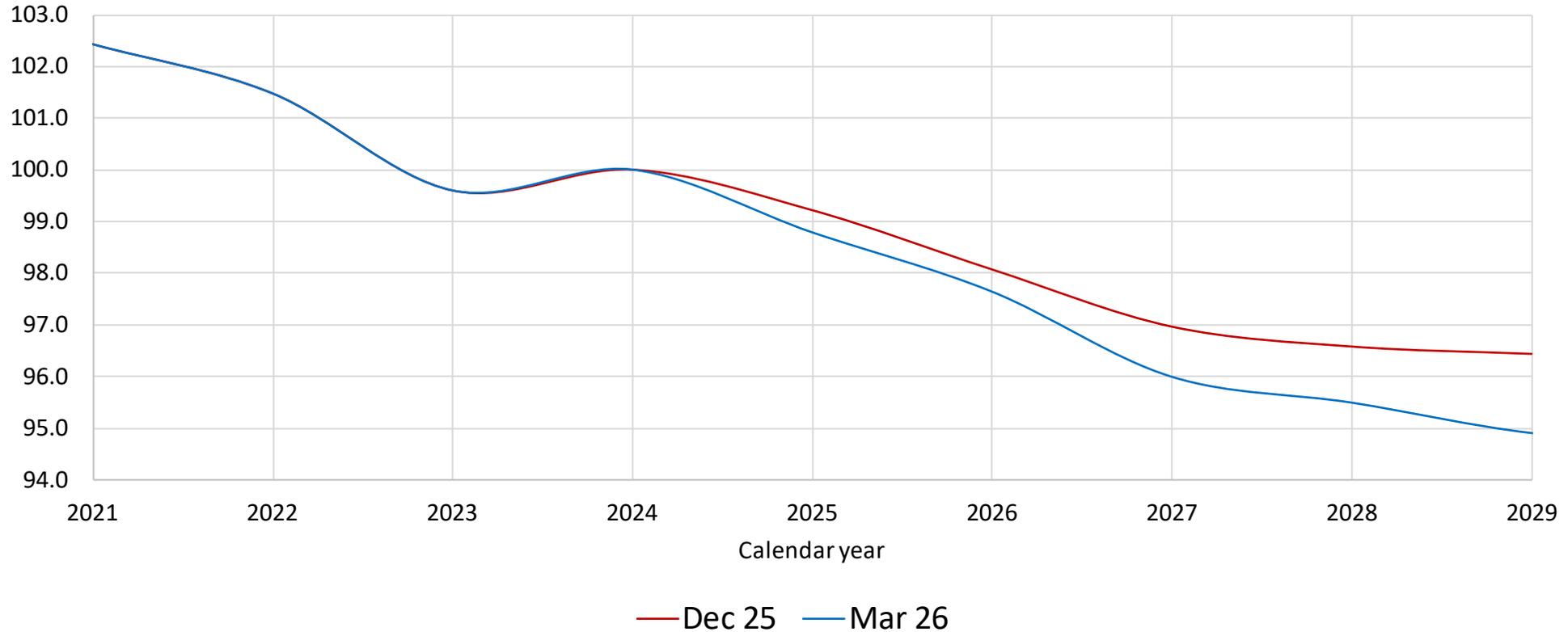
\$million  
(%)

	2026	2027	2028	2029
<b>Non-auto 5.5% Sales</b>	-\$6.9 (-0.5%)	\$2.2 (0.1%)	\$2.0 (0.1%)	-\$2.4 (-0.2%)
<b>Auto Sales 5.5%</b>	-\$9.0 (-2.9%)	-\$10.5 (-3.3%)	-\$10.9 (-3.4%)	-\$10.5 (-3.2%)
<b>Lodging 9%</b>	-\$1.4 (-0.7%)	-\$2.6 (-1.4%)	\$1.0 (0.5%)	\$5.6 (2.8%)
<b>Prepared Food 8%</b>	-\$4.0 (-1.0%)	-\$5.2 (-1.3%)	-\$6.3 (-1.5%)	-\$8.1 (-1.9%)
<b>Short-term auto rental 10%</b>	-\$0.5 (-2.4%)	-\$0.2 (-0.7%)	-\$0.2 (-1.0%)	-\$0.2 (-1.2%)
<b>Adult use cannabis 10%</b>	-\$0.6 (-2.1%)	-\$0.7 (-1.8%)	-\$1.0 (-2.5%)	-\$1.3 (-3.4%)

- Biggest source of revision is auto sales. Sales dropped sharply in 2025Q4 and are forecast to remain low.
- Prepared food sales have also slowed substantially since the December forecast.
- Adult Use Cannabis sales growth continues to come in under the forecast.



# Inflation-adjusted Sales & Use Tax Revenue



- 1.49% average annual growth in nominal revenue CY2024-2029, down from 1.66% average annual growth in the previous forecast.
- 2.56% average inflation in CY2024 – 2029, up from 2.40% in the previous forecast.



# Individual Income Tax

# Individual Income Tax History and Forecast

## \$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Annual Growth Estimate w/o Disaster Relief*	Revision to current forecast (\$)	Revision to current forecast (%)
2021	\$2,069.7	12.7%	12.7%		
2022	\$2,580.7	24.7%	24.7%		
2023	\$2,473.5	-4.2%	-4.2%		
2024	\$2,389.0	-3.4%	0.0%		
2025	\$2,724.0	14.0%	6.7%		
2026	\$2,799.5	2.8%	6.1%	\$14.0	0.5%
2027	\$2,878.4	2.8%	2.8%	\$43.0	1.5%
2028	\$2,960.1	2.8%	2.8%	\$3.0	0.1%
2029	\$3,066.1	3.6%	3.6%	-\$52.0	-1.7%

\*Estimated growth without the disaster-related payment deadline extensions that shifted revenue from FY 2024 to FY 2025.



# Individual Income Tax Forecast Main Points

- Withholding revenue through February will likely be close to forecast.
- \$12M payment variance through January, mostly from last estimated payment for 2025.
- Positive capital gains revisions with largest impacts in 2026 and 2027 due to updated information and technical changes to forecast.
- Upward revision to Property Tax Fairness Credit forecast (revenue reduction) based on 2025 returns to date.
- Forecast assumes DHHS-MRS MOU paying for \$8.5M of EITC costs is not renewed in FY 2026 and later.
- The new economic forecast has a minimal impact on the near term, but lower wages and dividends and higher inflation reduces the tax liability forecast, especially in 2028 and 2029.

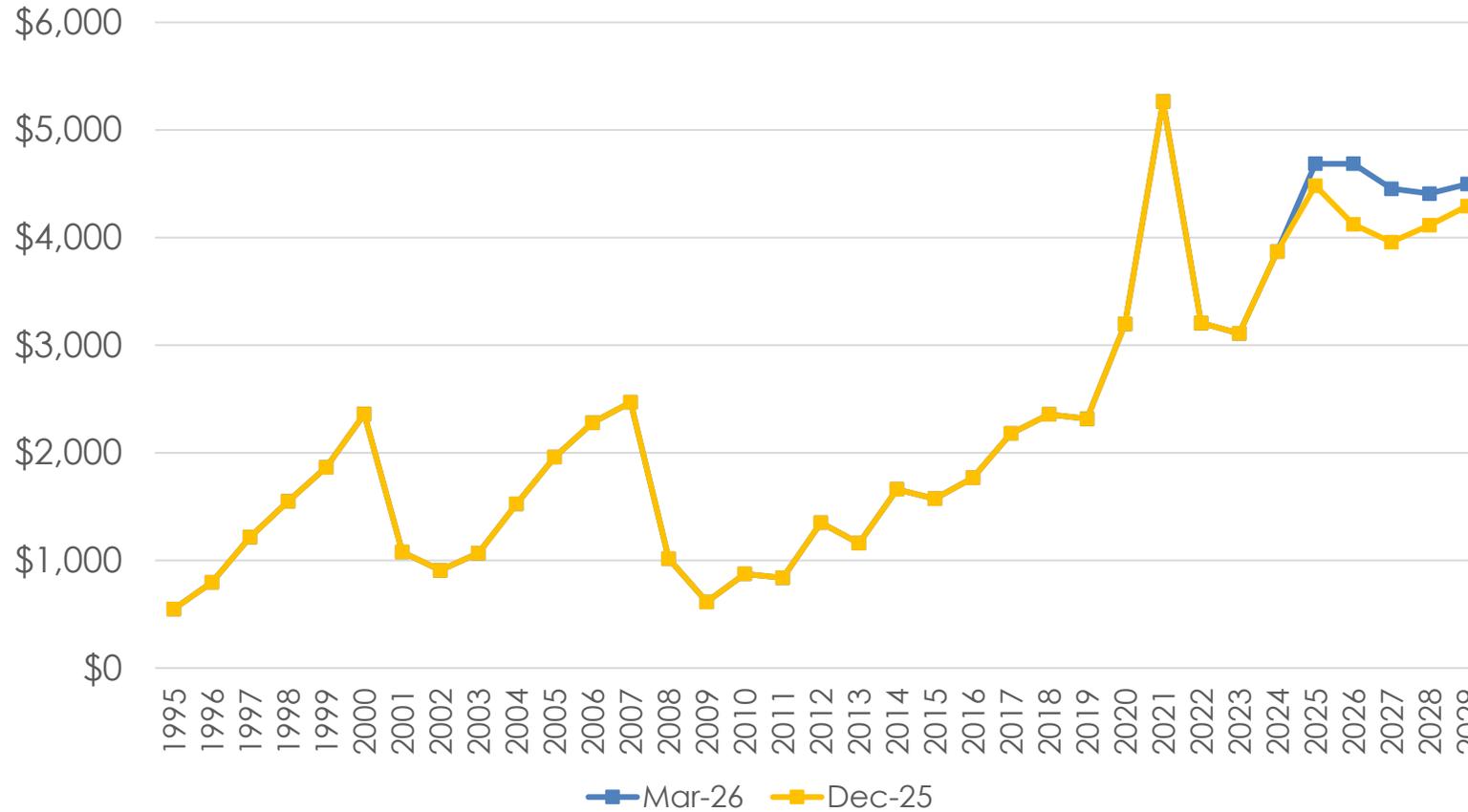


# Key Economic Forecast Changes

	2025	2026	2027	2028	2029
<b>Percentage Change in CEFC Forecast:</b>					
Wages & Salaries	0.00%	0.00%	-0.48%	-0.96%	-1.63%
Nonfarm Proprietors' Income	0.00%	0.00%	0.00%	0.00%	0.00%
Dividends	-2.11%	0.27%	-2.65%	-6.62%	-12.78%
<b>Change in growth rates:</b>					
CPI-U Annual Change	-0.20%	0.00%	0.60%	0.20%	0.20%
<b>Effect on Full-Year Resident Tax Liability by Tax Year (\$million):</b>					
Wages	\$0.0	\$0.0	-\$14.2	-\$29.6	-\$52.5
Dividends	-\$2.8	\$0.4	-\$3.7	-\$9.5	-\$19.6
CPI	\$0.0	\$0.0	\$4.3	-\$1.2	-\$8.7



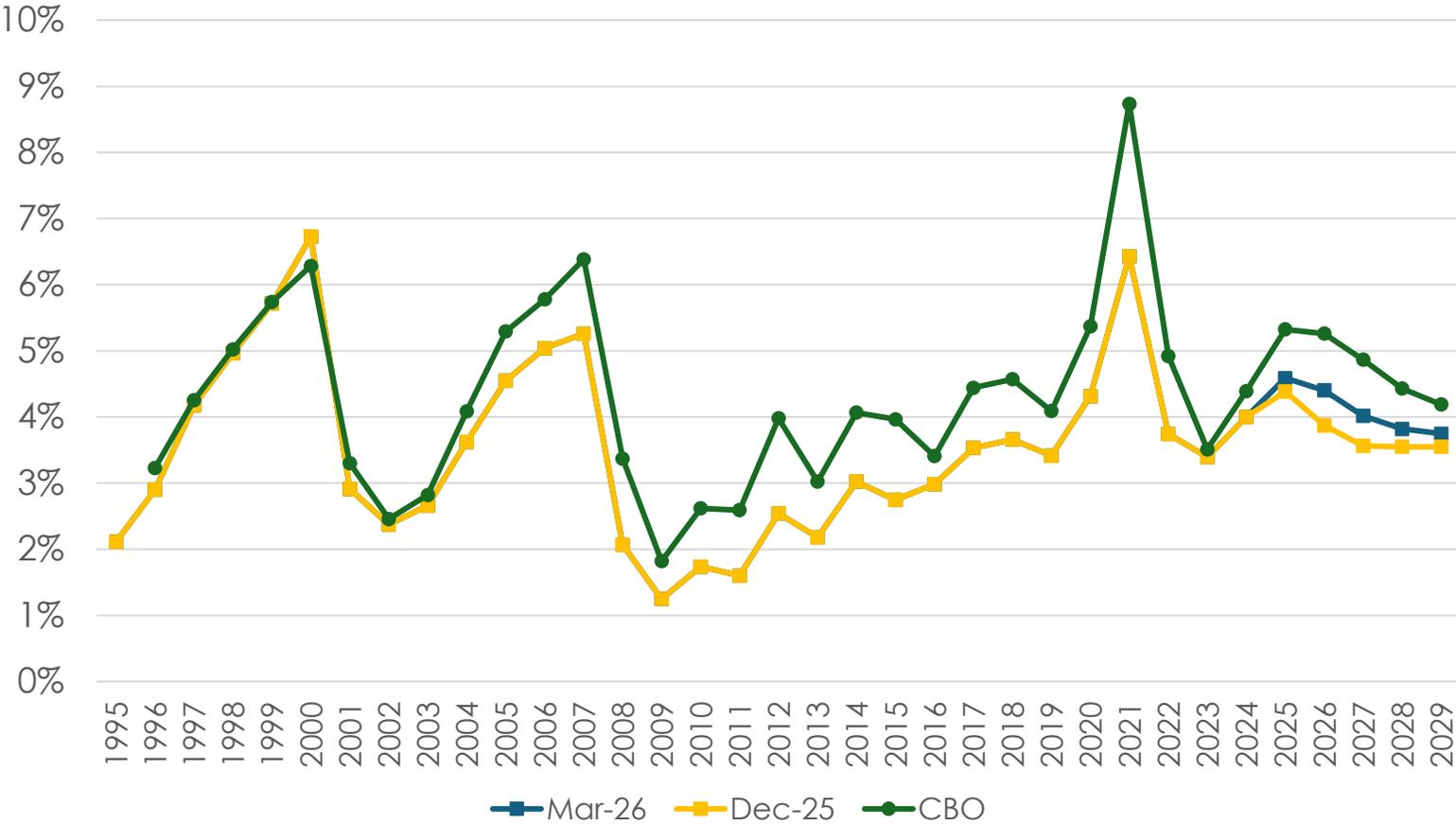
# Full-year Resident Capital Gains History and Forecast (\$million)



Tax Year	Annual Growth	Change in FYR Tax Liability Forecast*
2018	8.1%	
2019	-1.7%	
2020	38.0%	
2021	64.6%	
2022	-39.1%	
2023	-3.0%	
2024	24.5%	
2025	21.0%	\$15.6
2026	0.0%	\$42.5
2027	-5.0%	\$37.0
2028	-1.0%	\$21.8
2029	2.0%	\$14.5



# Full-year Resident Capital Gains, Share of Personal Income, and CBO Forecast of U.S. Capital Gains as % of GDP



# Tax Liability Forecast

(\$million)

Tax Year	Tax Liability Before Refundable Credits				Refundable Credits	Tax Liability After All Credits	
	Full-Year Resident	Not Full-Year Resident	Total	Growth		Total	Growth
2021	\$2,214.0	\$254.1	\$2,468.1		\$146.3	\$2,321.8	
2022	\$2,162.6	\$230.6	\$2,393.2	-3.0%	\$183.9	\$2,209.4	-4.8%
2023	\$2,263.8	\$218.7	\$2,482.6	3.7%	\$211.2	\$2,271.3	2.8%
2024*	\$2,496.7	\$236.6	\$2,733.3	10.1%	\$356.5	\$2,376.9	4.6%
2025	\$2,680.6	\$254.0	\$2,934.6	7.4%	\$372.0	\$2,562.6	7.8%
2026	\$2,786.6	\$264.1	\$3,050.7	4.0%	\$393.6	\$2,657.1	3.7%
2027	\$2,860.5	\$271.1	\$3,131.6	2.7%	\$403.5	\$2,728.1	2.7%
2028	\$2,954.9	\$280.0	\$3,234.9	3.3%	\$411.5	\$2,823.4	3.5%
2029	\$3,063.9	\$290.3	\$3,354.2	3.7%	\$419.8	\$2,934.4	3.9%

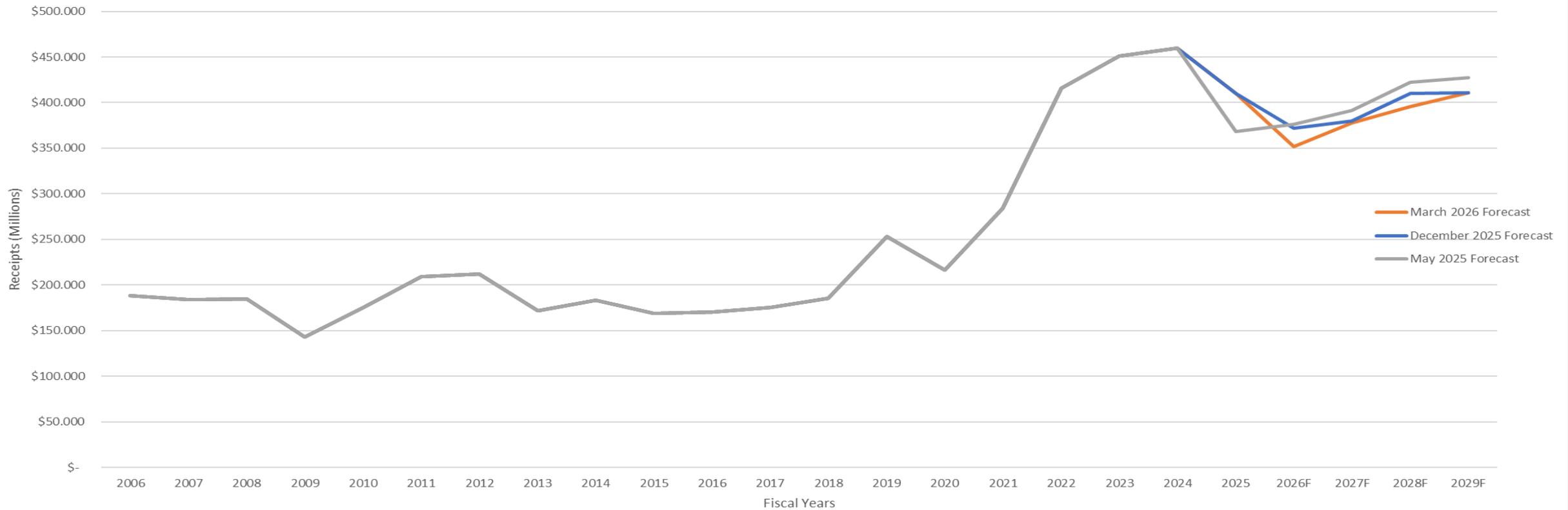
\*In 2024 the dependent exemption credit became refundable for residents. If the credit had remained nonrefundable then FYR tax liability before refundable credit growth is estimated to be 7.6%.



# Corporate Income Tax

# Corporate Income Tax History and Forecast

Corporate Income Tax Receipts by Fiscal Year



# Corporate Income Tax Since November

	Nov - Jan <u>Forecast</u>	Nov - Jan <u>Actual</u>	Nov - Jan <u>Variance</u>	Nov - Jan <u>% Variance</u>	Actual July-Jan (FY25)	Actual July-Jan (FY26)	<u>Growth</u>
Payments	\$98,782,055	\$84,461,153	-\$14,320,902	-14.5%	▲ \$49,287,684	▲ \$59,391,200	20.5%
Estimated Payments					▲ \$213,295,235	▲ \$149,737,489	-29.8%
Refunds	-\$12,453,530	-\$25,478,539	-\$13,025,009	104.6%	▲ -\$30,072,455	▲ -\$39,331,294	30.8%
Total	\$86,328,525	\$58,982,614	-\$27,345,911	-31.7%	\$232,510,464	\$169,797,395	-27.0%



# Corporate Income Tax History and Forecast

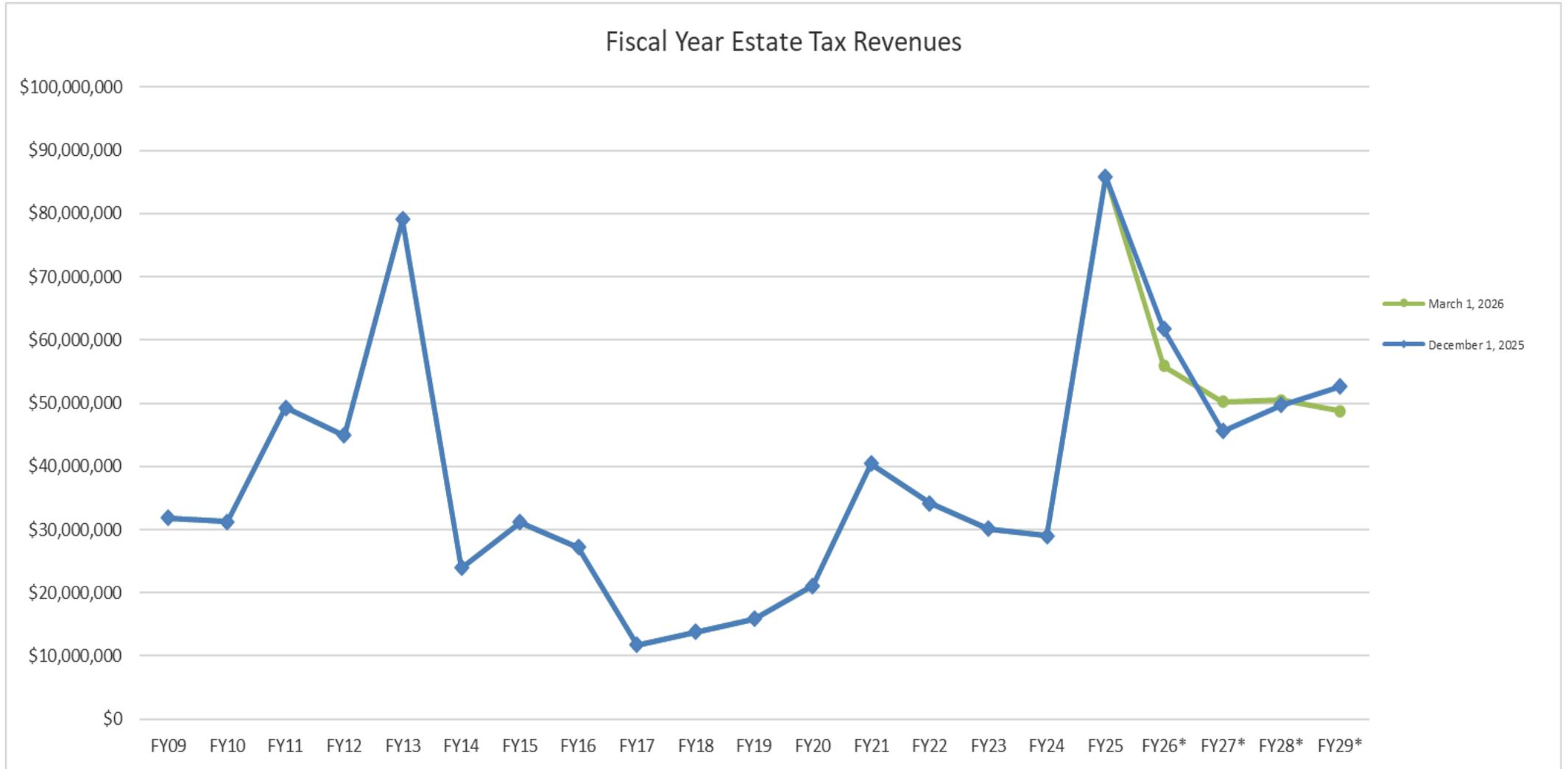
CY Pre-Tax Profits	2021	2022	2023	2024	2025	2026	2027	2028	2029
Feb. 2026 CEFC Forecast	30.8%	8.4%	4.6%	8.4%	0.5%	2.0%	2.0%	2.0%	2.0%
Nov. 2025 CEFC Forecast	30.8%	8.4%	4.6%	8.4%	0.5%	2.0%	2.0%	2.0%	2.0%
TY Liability (\$M)	2021	2022	2023	2024	2025 /1	2026 /1	2027 /1	2028 /1	2029 /1
March 2026 RFC Forecast	\$332.4	\$436.7	\$412.0	\$423.4	\$ 415.5	\$ 413.8	\$419.1	\$ 427.4	\$ 436.0
		31.4%	-5.7%	2.7%	-1.9%	-0.4%	1.3%	2.0%	2.0%
Dec. 2025 RFC Forecast	\$333.6	\$434.9	\$413.5	\$424.9	\$ 417.0	\$ 416.3	\$421.7	\$ 430.1	\$ 438.7
		30.4%	-4.9%	2.8%	-1.9%	-0.2%	1.3%	2.0%	2.0%
FY Revenue (\$M)	2021	2022	2023	2024	2025	2026	2027	2028	2029
March 2026 RFC Forecast	\$284.3	\$415.8	\$451.2	\$459.8	\$ 410.1	\$ 352.0	\$378.0	\$ 396.0	\$ 411.0
	31.5%	46.3%	8.5%	1.9%	-10.8%	-14.2%	7.4%	4.8%	3.8%
Dec. 2025 RFC Forecast	\$284.3	\$415.8	\$451.2	\$459.8	\$ 410.1	\$ 372.0	\$380.0	\$ 410.0	\$ 411.0
	31.5%	46.3%	8.5%	1.9%	-10.8%	-9.3%	2.2%	7.9%	0.2%
<b>Difference</b>						\$ (20.0)	\$ (2.0)	\$ (14.0)	\$ -

1/ Does not include the Dirigo Investment Credit. The revenue impact of Dirigo is layered onto the fiscal year revenue forecast.



# Estate Tax

# Estate Tax History and Forecast



# Estate Tax History and Forecast

Calendar Year	Actual			December 1, 2025 Forecast				March 1, 2026 Forecast				Difference in Fiscal Year Receipts
	Exemption Amount	Liability /1 /2	Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	
2018	\$ 5,600,000	\$ 22,055,650	\$ 13,801,409									
2019	\$ 5,700,000	\$ 14,143,679	\$ 15,851,350									
2020	\$ 5,800,000	\$ 44,293,194	\$ 21,079,344									
2021	\$ 5,870,000	\$ 47,308,346	\$ 40,399,594									
2022	\$ 6,010,000	\$ 13,137,304	\$ 34,183,165									
2023	\$ 6,410,000	\$ 43,543,173	\$ 30,117,577									
2024	\$ 6,800,000	\$ 60,792,850	\$ 29,051,766	\$ 6,800,000		\$ 69,770,164		\$ 6,800,000		\$ 60,792,850		
2025	\$ 7,000,000	\$ 1,482,123	\$ 85,835,306	\$ 7,000,000	7.0%	\$ 50,500,000		\$ 7,000,000	9.2%	\$ 50,800,000		
2026	\$ 7,160,000			\$ 7,160,000	0.3%	\$ 49,900,000	\$ 61,730,000	\$ 7,160,000	0.8%	\$ 50,000,000	\$ 55,930,000	\$ (5,800,000)
2027				\$ 7,360,000	1.9%	\$ 51,600,000	\$ 45,630,000	\$ 7,350,000	1.9%	\$ 50,600,000	\$ 50,200,000	\$ 4,570,000
2028				\$ 7,540,000	3.8%	\$ 53,000,000	\$ 49,700,000	\$ 7,560,000	3.6%	\$ 48,100,000	\$ 50,450,000	\$ 750,000
2029				\$ 7,710,000			\$ 52,650,000	\$ 7,750,000			\$ 48,730,000	\$ (3,920,000)

1/ Subject to change because of amended returns  
2/ Returns filed and posted through February 12, 2026



# Other Taxes

# Real Estate Transfer Tax

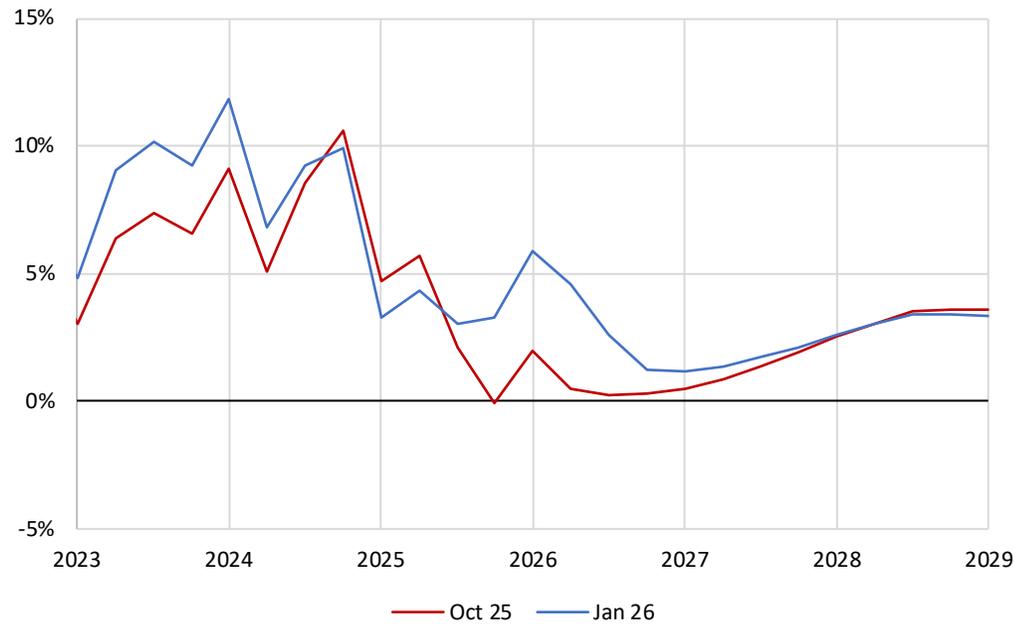
Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$20.44			
2025	\$22.17	8.47%		
2026	\$22.59	1.92%	0.694	3.17%
2027	\$18.32	-18.93%	0.505	2.83%
2028	\$13.48	-26.39%	0.308	2.34%
2029	\$14.02	4.01%	0.196	1.42%

- FY26 revenue through January is \$547K over budget.
- Forecast to end FY26 \$694K over the current budget, with diminishing positive revisions in the remaining forecast years.

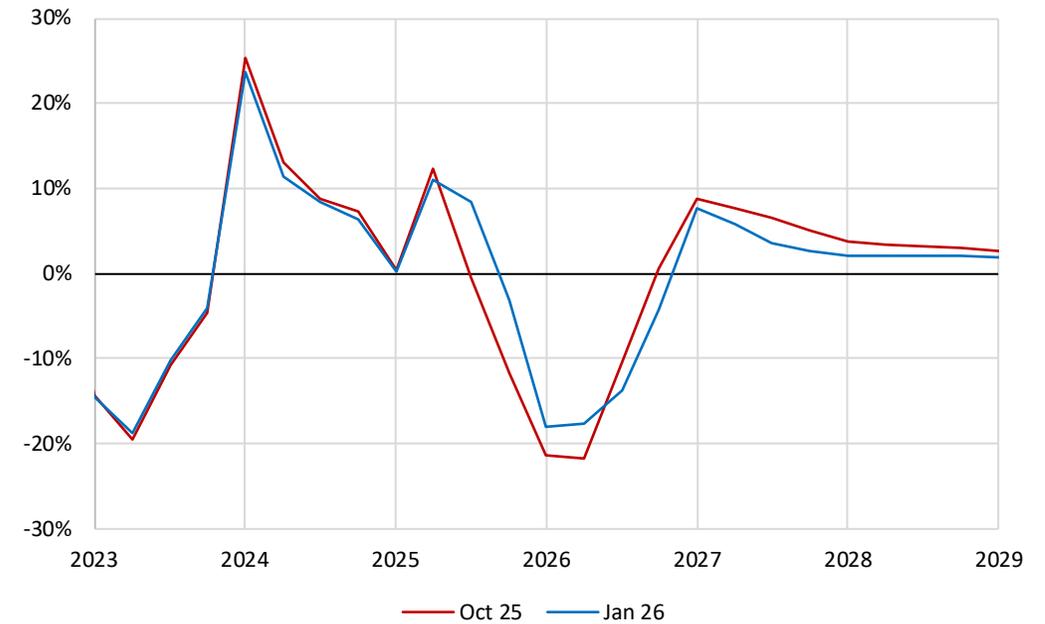


# Real Estate Transfer Tax Drivers

Median price (YoY % growth)



Home sales (YoY % growth)



- Moody's January forecast home price forecast projects higher growth through calendar year 2027.
- Higher prices are offset by lower sales growth starting in the second half of calendar year 2026, giving the decline in the positive revisions.



# BETE

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$64.78			
2025	\$69.78	7.72%		
2026	\$66.82	-4.24%	\$0.67	1.02%
2027	\$70.93	6.14%	\$0.71	1.02%
2028	\$73.27	3.31%	\$0.74	1.01%
2029	\$75.46	2.99%	\$0.76	1.02%

- More tax year 2025 MVRs are available since the December forecast. The increase in the reimbursement amount for FY2026 comes from a large increase in one municipality.
- Very minor change in forecast growth rate gives similar positive revisions in the remaining years.



# Cigarette, Tobacco, and Cannabis Excise Taxes

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$144.15			
2025	\$146.99	1.97%		
2026	\$182.02	23.83%	(\$0.74)	-0.41%
2027	\$216.84	19.13%	\$2.60	1.21%
2028	\$214.46	-1.09%	\$2.41	1.14%
2029	\$211.94	-1.18%	\$2.19	1.05%

- Cigarette and Tobacco tax rates increased in January 2026, and cannabis excise tax rates decreased.



# Source of Forecast Adjustments

\$million  
(%)

	2026	2027	2028	2029
<b>Cigarette tax</b>	-\$1.97 (-1.65%)	\$0.03 (0.02%)	\$0.01 (0.01%)	-\$0.01 (-0.01%)
<b>Tobacco products tax</b>	\$1.78 (3.81%)	\$2.66 (4.38%)	\$2.55 (4.07%)	\$2.46 (3.79%)
<b>Adult use cannabis excise</b>	-\$0.56 (-3.35%)	-\$0.09 (-0.69%)	-\$0.15 (-1.09%)	-\$0.26 (-1.81%)

- Cigarette Tax through January is \$4.84 million under budget. A large part of this is the timing of payments on interim stamps for the tax rate change. It's expected to recover the majority of this variance, finishing the year about \$2 million under with small revisions in the remaining years.
- Tobacco products tax revenue through January is \$1.1 million under budget, with a variance of -\$1.4 million in January likely due to an underestimated response to the rate change. Stronger projected growth in E-cigarettes and smokeless products gives positive revisions throughout the forecast period.
- Adult Use Cannabis Excise Tax through January is \$330K under budget. It is being revised down in line with the Adult Use Cannabis Sales Tax forecast.



# Gas Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$200.30	1.87%		
2025	\$201.86	0.78%		
2026	\$201.15	-0.35%	(\$0.763)	-0.38%
2027	\$201.81	0.33%	(\$0.354)	-0.17%
2028	\$201.78	-0.01%	(\$0.530)	-0.26%
2029	\$201.75	-0.01%	(\$0.707)	-0.35%

- FY26 revenue through January is \$527K under budget and is forecast to finish the fiscal year down \$763K.
- Slightly lower projected growth gives minor negative revisions in each year.



# Special Fuel Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2024	\$53.46	-4.25%		
2025	\$55.97	4.70%		
2026	\$55.47	-0.90%	(\$0.784)	-1.39%
2027	\$56.43	1.72%	(\$0.044)	-0.08%
2028	\$56.66	0.41%	(\$0.065)	-0.12%
2029	\$56.89	0.41%	(\$0.087)	-0.15%

- FY26 revenue through January is \$489K under budget and is forecast to finish \$784K under.
- Small negative revisions in the remaining years.

