

**Proposed Review Schedule for Tax Expenditures as of April 2017**

| ID # | Review Category | Expenditure Program Name   | Rationale                                 | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | FY17 Revenue Loss (estimate)* |
|------|-----------------|--|---|---------|---------|---------|---------|---------|---------|-------------------------------|
|      |                 |  |   |         |         |         |         |         |         |                               |
| 3    | Full            | New Markets Capital Investment Credit  | Business Incentive - Financial Investment | X       |         |         |         |         |         | \$13,509,000                  |
| 4    | Full            | Pine Tree Development Zones -Income Tax Credit, Sales Tax Exemption (Electricity & Tangible Personal Property), and Sales & Use Tax Reimbursement (Certain Tangible Personal Property) | Business Incentive - Job Creation         | X       |         |         |         |         |         | \$3,473,000                   |
| 9    | Full            | Employment Tax Increment Financing   | Business Incentive - Job Creation         | X       |         |         |         |         |         | \$13,860,381                  |
| 146  | Expedited       | Grocery Staples  | Necessity of Life                         | X       |         |         |         |         |         | \$171,152,000                 |
| 147  | Expedited       | Prescription Drugs   | Necessity of Life                         | X       |         |         |         |         |         | \$69,369,000                  |
| 148  | Expedited       | Prosthetic Devices   | Necessity of Life                         | X       |         |         |         |         |         | \$7,286,500                   |
| 149  | Expedited       | Meals Served to Patients in Hospitals & Nursing Homes  | Necessity of Life                         | X       |         |         |         |         |         | \$8,987,000                   |
| 150  | Expedited       | Fuels for Cooking & Heating Homes  | Necessity of Life                         | X       |         |         |         |         |         | \$73,207,000                  |
| 151  | Expedited       | Certain Residential Electricity  | Necessity of Life                         | X       |         |         |         |         |         | \$25,784,045                  |
| 152  | Expedited       | Gas Used for Cooking & Heating in Residences   | Necessity of Life                         | X       |         |         |         |         |         | \$15,318,750                  |
| 153  | Expedited       | Rental Charges for Living Quarters in Nursing Homes and Hospitals  | Necessity of Life                         | X       |         |         |         |         |         | \$250,000 – \$999,999         |
| 154  | Expedited       | Rental Charges on Continuous Residence More Than 28 Days   | Necessity of Life                         | X       |         |         |         |         |         | \$830,473                     |
| 155  | Expedited       | Funeral Services   | Necessity of Life                         | X       |         |         |         |         |         | \$4,997,000                   |
| 156  | Expedited       | Diabetic Supplies  | Necessity of Life                         | X       |         |         |         |         |         | \$1,210,797                   |
| 157  | Expedited       | Water Used in Private Residences   | Necessity of Life                         | X       |         |         |         |         |         | \$21,755,000                  |
| 158  | Expedited       | Positive Airway Pressure Equipment & Sales   | Necessity of Life                         | X       |         |         |         |         |         | \$284,802                     |
| NEW  | Full            | Maine Capital Investment Credit  | Conformity with IRC                       |         | X       |         |         |         |         | \$11,584,000                  |
| 11   | Full            | Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)  | Business Incentive - Equip Investment     |         | X       |         |         |         |         | \$36,948,340                  |
| 12   | Full            | Reimbursement for Taxes Paid on Certain Business Property (BETR)   | Business Incentive - Equip Investment     |         | X       |         |         |         |         | \$32,000,000                  |
| 125  | Expedited       | Credit for Income Tax Paid to Other Jurisdiction   | Tax Fairness                              |         | X       |         |         |         |         | \$48,393,000                  |
| 126  | Expedited       | Deduction for Active Duty Military Pay Earned Outside Maine  | Tax Fairness                              |         | X       |         |         |         |         | \$1,985,000                   |

|          |             |  |  |  |   |   |  |  |  |   |
|----------|-------------|--|--|--|---|---|--|--|--|---|
| 127      | Expedited   | Deduction for Dividends Received from Nonunitary Affiliates                      | Tax Fairness                                     |  | X |   |  |  |  | \$10,200,000                              |
| 128      | Expedited   | Exemptions of the Real Estate Transfer Tax                                       | Tax Fairness                                     |  | X |   |  |  |  | \$250,000 - \$999,000                     |
| 129      | Expedited   | Refund of the Gasoline Tax for Off-Highway Use and for Certain Bus Companies     | Tax Fairness                                     |  | X |   |  |  |  | \$325,000                                 |
| 130      | Expedited   | Refund of the Special Fuel Tax for Off-Highway Use and for Certain Bus Companies | Tax Fairness                                     |  | X |   |  |  |  | \$4,500,000                               |
| 131      | Expedited   | Certain Returnable Containers  | Tax Fairness                                     |  | X |   |  |  |  | \$1,458,310                               |
| 132      | Expedited   | Packaging Materials  | Tax Fairness                                     |  | X |   |  |  |  | \$12,720,500                              |
| 133      | Expedited   | Certain Loaner Vehicles  | Tax Fairness                                     |  | X |   |  |  |  | \$251,730                                 |
| 134      | Expedited   | Mobile & Modular Homes   | Tax Fairness                                     |  | X |   |  |  |  | \$26,833,025                              |
| 135      | Expedited   | Certain Property Purchased Out of State  | Tax Fairness                                     |  | X |   |  |  |  | \$1,000,000 - \$2,999,999                 |
| 136      | Expedited   | Meals & Lodging Provided to Employees  | Tax Fairness                                     |  | X |   |  |  |  | \$151,050                                 |
| 137      | Expedited   | Trade-In Credits   | Tax Fairness                                     |  | X |   |  |  |  | \$27,299,115                              |
| 138      | Expedited   | Motor Vehicle Fuel   | Tax Fairness                                     |  | X |   |  |  |  | \$128,817,694                             |
| <b>6</b> | <b>Full</b> | <b>Seed Capital Investment Tax Credit</b>  | <b>Business Incentive - Financial Investment</b> |  |   | X |  |  |  | <b>\$2,679,000</b>                        |
| <b>7</b> | <b>Full</b> | <b>Tax Benefits for Media Production Companies</b>                               | <b>Business Incentive - Targeted Industry</b>    |  |   | X |  |  |  | <b>\$256,000</b>                          |
| <b>8</b> | <b>Full</b> | <b>Credit for Rehabilitation of Historic Properties</b>                          | <b>Business Incentive - Targeted Industry</b>    |  |   | X |  |  |  | <b>\$13,172,000</b>                       |
| 10       | Expedited   | Job Increment Financing Fund - Brunswick Naval Air Station                       | Specific Policy Goal/Mandate                     |  |   | X |  |  |  | \$810,619 for Brunswick & Loring combined |
| NEW      | Expedited   | Job Increment Financing Fund - Loring  | Specific Policy Goal/Mandate                     |  |   | X |  |  |  | \$810,619 for Brunswick & Loring combined |
| 47 & 48  | Expedited   | Construction Contracts with Exempt Organizations                                 | Charitable - Other                               |  |   | X |  |  |  | \$1,000,000 - \$2,999,999                 |
| 49       | Expedited   | Sales of Certain Qualified Snowmobile Trail Grooming Equipment                   | Charitable - Other                               |  |   | X |  |  |  | \$86,184                                  |
| 50       | Expedited   | State and Local Government Exemption from the Gasoline Tax                       | Charitable - Government                          |  |   | X |  |  |  | \$2,235,102                               |
| 51       | Expedited   | State & Local Government Exemption from the Special Fuel Tax                     | Charitable - Government                          |  |   | X |  |  |  | \$2,815,618                               |

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|------------|-------------|---|---|--|--|---|---|--|--|--------------------------------|
| 52         | Expedited   | Meals for Residents of Certain Nonprofit Congregate Housing Facilities        | Charitable - Elderly                          |  |  | X |   |  |  | \$0 - \$49,999                 |
| 53         | Expedited   | Certain Sales by an Auxiliary Organization of American Legion                 | Charitable - Veterans                         |  |  | X |   |  |  | \$50,000 - \$249,999           |
| 54 & 76    | Expedited   | Sales to the State & Political Subdivisions                                   | Charitable - Government                       |  |  | X |   |  |  | \$171,178,538                  |
| 56         | Expedited   | Providing Meals for the Elderly   | Charitable - Elderly                          |  |  | X |   |  |  | \$366,899                      |
| 58         | Expedited   | Meals Served by a Retirement Facility to its Residents                        | Charitable - Elderly                          |  |  | X |   |  |  | \$623,893                      |
| 73         | Expedited   | Returned Merchandise Donated to Charity                                       | Charitable - Other                            |  |  | X |   |  |  | \$50,000 - \$249,999           |
| 74         | Expedited   | Merchandise Donated from a Retailer's Inventory to Exempt Organizations       | Charitable - Other                            |  |  | X |   |  |  | \$50,000 - \$249,999           |
| 75         | Expedited   | Free Publications   | Charitable - Other                            |  |  | X |   |  |  | \$1,747,204                    |
| <b>41</b>  | <b>Full</b> | <b>Railroad Track Materials</b>   | <b>Business Incentive - Targeted Industry</b> |  |  |   | X |  |  | <b>\$383,096</b>               |
| <b>42</b>  | <b>Full</b> | <b>Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers</b> | <b>Business Incentive - Targeted Industry</b> |  |  |   | X |  |  | <b>\$85,500</b>                |
| <b>184</b> | <b>Full</b> | <b>Partial Cigarette Stamp Tax Exemption for Licensed Distributors</b>        | <b>Specific Policy Goal/Mandate</b>           |  |  |   | X |  |  | <b>\$1,368,761</b>             |
| <b>185</b> | <b>Full</b> | <b>Air &amp; Water Pollution Control Facilities</b>                           | <b>Specific Policy Goal/Mandate</b>           |  |  |   | X |  |  | <b>\$500,000 - \$1,999,998</b> |
| <b>193</b> | <b>Full</b> | <b>Sales Through Coin Operated Vending Machines</b>                           | <b>Administrative Burden</b>                  |  |  |   | X |  |  | <b>\$310,040</b>               |
| 55         | Expedited   | Meals Served by Public or Private Schools                                     | Charitable - Education                        |  |  |   | X |  |  | \$9,071,170                    |
| 57         | Expedited   | Meals Served by Youth Camps Licensed by DHHS                                  | Charitable - Youth                            |  |  |   | X |  |  | \$250,000 - \$999,000          |
| 59 & 77    | Expedited   | Sales to Hospitals, Research Centers, Churches and Schools                    | Charitable - Other                            |  |  |   | X |  |  | \$6,000,000 or more            |
| 60         | Expedited   | Sales to Certain Nonprofit Residential Child Caring Institutions              | Charitable - Youth                            |  |  |   | X |  |  | \$50,000 - \$249,999           |
| 61         | Expedited   | Rental of Living Quarters at Schools  | Charitable - Education                        |  |  |   | X |  |  | \$6,650,000                    |
| 62         | Expedited   | Sales to Ambulance Services & Fire Departments                                | Charitable - Health & Safety                  |  |  |   | X |  |  | \$250,000 - \$999,999          |

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|-----------|-------------|--|--|--|--|--|---|---|--|-----------------------|
| 63        | Expedited   | Sales to Comm. Mental Health, Substance Abuse & Mental Retardation Facilities                                | Charitable - Health & Safety                         |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 64        | Expedited   | Sales to Historical Societies & Museums  | Charitable - Education                               |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 65        | Expedited   | Sales to Day Care Centers & Nursery Schools  | Charitable - Education                               |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 66        | Expedited   | Sales to Emergency Shelters & Feeding Organizations  | Charitable - Health & Safety                         |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 67 & 78   | Expedited   | Sales to Comm. Action Agencies; Child Abuse Councils; Child Advocacy Orgs.                                   | Charitable - Youth                                   |  |  |  | X |   |  | \$250,000 - \$999,999 |
| 68        | Expedited   | Sales to any Nonprofit Free Libraries  | Charitable - Education                               |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 69 & 79   | Expedited   | Sales to Nonprofit Youth Athletic & Scouting Organizations   | Charitable - Youth                                   |  |  |  | X |   |  | \$250,000 - \$999,999 |
| 70        | Expedited   | Sales by Schools & School-Sponsored Organizations  | Charitable - Education                               |  |  |  | X |   |  | \$250,000 - \$999,999 |
| 71        | Expedited   | Sales to Nonprofit Home Construction Organizations   | Charitable - Low Income                              |  |  |  | X |   |  | \$50,000 - \$249,999  |
| 72        | Expedited   | Sales to Nonprofit Housing Development Organizations   | Charitable - Low Income                              |  |  |  | X |   |  | \$50,000 - \$249,999  |
| <b>19</b> | <b>Full</b> | <b>Credit for Educational Opportunity</b>  | <b>Non-business Incentive - Education</b>            |  |  |  |   | X |  | <b>\$9,376,000</b>    |
| <b>23</b> | <b>Full</b> | <b>Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax</b>      | <b>Non-business Incentive - Financial Investment</b> |  |  |  |   | X |  | <b>\$42,000</b>       |
| <b>24</b> | <b>Full</b> | <b>Deduction for Interest and Dividends on U.S., Maine State and Local Securities - Corporate Income Tax</b> | <b>Non-business Incentive - Financial Investment</b> |  |  |  |   | X |  | <b>\$190,000</b>      |
| <b>20</b> | <b>Full</b> | <b>Credit for Wellness Programs</b>  | <b>Non-business Incentive - Health &amp; Safety</b>  |  |  |  |   | X |  | <b>\$319,000</b>      |
| <b>5</b>  | <b>Full</b> | <b>Research Expense Tax Credit</b>   | <b>Business Incentive - Research Investment</b>      |  |  |  |   | X |  | <b>\$498,000</b>      |

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|------------|-------------|--|---|--|--|--|--|--|----------|--|-------------------------------|
| <b>13</b>  | <b>Full</b> | <b>New Machinery for Experimental Research</b>                           | <b>Business Incentive - Research Investment</b> |  |  |  |  |  | <b>X</b> |  | <b>\$50,000 - \$149,000</b>   |
| 159        | Expedited   | Gasoline Exported from the State   | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$73,330,523                  |
| 160        | Expedited   | Special Fuel Exported from the State                                     | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$17,991,845                  |
| 161        | Expedited   | Excise Tax Exemption on Jet or Turbo Jet Fuel - International Flights    | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$146,849                     |
| 162        | Expedited   | Ships' Stores  | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$250,000 - \$999,999         |
| 163        | Expedited   | Certain Jet Fuel   | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$5,608,406                   |
| 164        | Expedited   | Certain Vehicles Purchased or Leased by Nonresidents                     | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$250,000 - \$999,999         |
| 165        | Expedited   | Certain Vehicles Purchased or Leased by Qualifying Resident Businesses   | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$933,500                     |
| 166        | Expedited   | Watercraft Purchased by Nonresidents                                     | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$250,000 - \$999,999         |
| 167        | Expedited   | Property Used in Interstate Commerce                                     | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$1,000,000 - \$2,999,999     |
| 168        | Expedited   | Sales of Property Delivered Outside this State                           | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$6,000,000 or more           |
| 169        | Expedited   | Sales of Certain Printed Materials                                       | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$250,000 - \$999,999         |
| 170        | Expedited   | Sales of Certain Aircraft  | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$415,236                     |
| 171        | Expedited   | Sale, Use or Lease of Aircraft and Sales of Repair and Replacement Parts | Interstate or Foreign Commerce                  |  |  |  |  |  | X        |  | \$648,806                     |
| <b>NEW</b> | <b>Full</b> | <b>Credit for Modifications to Make Homes Accessible</b>                 | <b>Tax Relief - Individuals</b>                 |  |  |  |  |  | <b>X</b> |  | <b>\$0 (\$73,500 in FY18)</b> |
| <b>NEW</b> | <b>Full</b> | <b>Sales Tax Fairness Credit</b>   | <b>Tax Relief - Individuals</b>                 |  |  |  |  |  | <b>X</b> |  | <b>\$31,849,020</b>           |
| <b>NEW</b> | <b>Full</b> | <b>Adult Dependent Care Credit</b>                                       | <b>Tax Relief - Individuals</b>                 |  |  |  |  |  | <b>X</b> |  | <b>\$142,500</b>              |

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|-----|-----------|--|--|--|--|--|--|--|--|---|-------------------------------|
| 21  | Full      | Earned Income Credit <sup>#</sup>                                  | Tax Relief - Individuals                     |  |  |  |  |  |  | X | \$855,000                     |
| 37  | Full      | Income Tax Credit for Child and Dependent Care Expense             | Tax Relief - Individuals                     |  |  |  |  |  |  | X | \$3,676,000                   |
| 38  | Full      | Deduction for Pension Income & IRA Distributions                   | Tax Relief - Individuals                     |  |  |  |  |  |  | X | \$26,647,000                  |
| 39  | Full      | Deduction for Social Security Benefits Taxable at Federal Level    | Tax Relief - Individuals                     |  |  |  |  |  |  | X | \$76,864,000                  |
| 40  | Full      | Property Tax Fairness Credit                                       | Tax Relief - Individuals                     |  |  |  |  |  |  | X | \$29,108,000                  |
| 43  | Full      | Basic Cable & Satellite Television Service                         | Tax Relief - Individual or Targeted Industry |  |  |  |  |  |  | X | \$2,280,000                   |
| 44  | Full      | Certain Telecommunications Services                                | Tax Relief - Individual or Targeted Industry |  |  |  |  |  |  | X | \$14,465,398                  |
| 123 | Expedited | Itemized Deductions  | Conformity with IRC                          |  |  |  |  |  |  | X | \$68,941,000                  |
| 124 | Expedited | Sum of All Other Conformity Provisions                             | Conformity with IRC                          |  |  |  |  |  |  | X | \$804 million - \$905 million |
| NEW | Expedited | Fuel Used in Certain Agricultural Production                       | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$242,250                     |
| 174 | Expedited | Products Used in Agricultural and Aquacultural Production & Bait   | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$3,372,500                   |
| 175 | Expedited | Fuel and Electricity Used in Manufacturing                         | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$28,392,883                  |
| 176 | Expedited | Machinery & Equipment  | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$51,604,000                  |
| 177 | Expedited | Seedlings for Commercial Forestry Use                              | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$50,000 - \$249,999          |
| 178 | Expedited | Property Used in Manufacturing Production                          | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$178,115,500                 |
| 179 | Expedited | Certain Sales of Electrical Energy                                 | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$250,000 - \$999,999         |
| 180 | Expedited | Refund of Sales Tax on Certain Depreciable Machinery and Equipment | Inputs to Tangible Products                  |  |  |  |  |  |  | X | \$2,888,000                   |
| 191 | Expedited | Non-Taxable Services   | Non-Taxable Services                         |  |  |  |  |  |  | X | \$2,343,706,905               |

|     |           |  |                      |  |  |  |  |  |   |              |
|-----|-----------|--|----------------------|--|--|--|--|--|---|--------------|
| 192 | Expedited | Repair, Maintenance and Other Labor Service Fees | Non-Taxable Services |  |  |  |  |  | X | \$45,657,000 |
|-----|-----------|--|----------------------|--|--|--|--|--|---|--------------|