

Fiscal Briefing

August 25, 2022

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2023 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Change
July	\$350.7	\$372.2	\$21.5	6.1%	\$365.4	1.9%
FYTD	\$350.7	\$372.2	\$21.5	6.1%	\$365.4	1.9%

General Fund revenue was over budget by \$21.5 million (6.1%) for the month of July, the first month of FY 2023, and 1.9% greater than July 2021 General Fund revenue.

Individual income tax revenue was over budget by \$7.1 million (5.3%) for the month, largely the result of positive variances in final tax payments and withholding for the month partially offset by individual tax refunds that were greater than budgeted for the month. Sales and use tax revenue for July (June sales) was over budget for the month by \$6.4 million (3.2%). Estate tax revenue for the month of July was over budget by \$12.1 million.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2023 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Change
July	\$30.2	\$29.9	(\$0.2)	-0.8%	\$31.0	-3.6%
FYTD	\$30.2	\$29.9	(\$0.2)	-0.8%	\$31.0	-3.6%

Highway Fund revenue was under budget by -\$0.2 million (-0.8%) for the month of July, the first month of FY 2023, and -3.6% less than July 2021 Highway Fund revenue.

Fuel taxes were under budget by -\$0.7 million (-3.7%) for the month. Motor vehicle registrations and fees were above budget by \$0.6 million (5.9%) for the month.

3. Cash Balances Update

The average balance in the cash pool for July was \$4,245.6 million, a decrease from June's average of \$4,374.3 million. This decrease was primarily the result of decreases in Other Special Revenue Funds balances partially offset by an increase in General Fund balances. The average Highway Fund balance for July was \$30.3 million, an increase from June's balance of \$27.7 million.

General Fund Revenue
Fiscal Year Ending June 30, 2023 (FY 2023)

Updated 8/25/22

July 2022 Revenue Variance Report

Revenue Category	Fiscal Year-To-Date								FY 2023 Budgeted Totals
	July '22 Budget	July '22 Actual	July '22 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax ¹	203,461,734	209,878,405	6,416,671	203,461,734	209,878,405	6,416,671	3.2%	4.1%	2,114,622,487
Service Provider Tax	4,233,331	4,066,857	(166,474)	4,233,331	4,066,857	(166,474)	-3.9%	-4.3%	50,000,000
Individual Income Tax	133,760,083	140,875,706	7,115,623	133,760,083	140,875,706	7,115,623	5.3%	-0.7%	2,054,227,867
Corporate Income Tax	19,500,000	20,053,460	553,460	19,500,000	20,053,460	553,460	2.8%	-0.7%	335,688,199
Cigarette and Tobacco Tax ²	11,926,015	13,333,619	1,407,604	11,926,015	13,333,619	1,407,604	11.8%	-1.4%	151,740,000
Insurance Companies Tax	1,029,746	841,823	(187,923)	1,029,746	841,823	(187,923)	-18.2%	-46.5%	88,800,000
Estate Tax	2,000,000	14,093,707	12,093,707	2,000,000	14,093,707	12,093,707	604.7%	12405.5%	24,150,000
Other Taxes and Fees *	9,026,283	6,444,290	(2,581,993)	9,026,283	6,444,290	(2,581,993)	-28.6%	-13.0%	154,467,985
Fines, Forfeits and Penalties	1,031,659	1,647,085	615,426	1,031,659	1,647,085	615,426	59.7%	334.6%	11,914,639
Income from Investments	0	(14)	(14)	0	(14)	(14)	N/A	N/A	8,166,254
Transfer from Lottery Commission	5,769,231	9,717,486	3,948,255	5,769,231	9,717,486	3,948,255	68.4%	39.9%	60,000,000
Transfers to Tax Relief Programs *	(5,000)	0	5,000	(5,000)	0	5,000	100.0%	100.0%	(81,040,000)
Transfers for Municipal Revenue Sharing	(23,072,864)	(27,845,352)	(4,772,488)	(23,072,864)	(27,845,352)	(4,772,488)	-20.7%	-22.6%	(233,343,625)
Other Revenue *	(17,936,989)	(20,898,940)	(2,961,951)	(17,936,989)	(20,898,940)	(2,961,951)	-16.5%	-134.5%	19,161,761
Totals	350,723,229	372,208,132	21,484,903	350,723,229	372,208,132	21,484,903	6.1%	1.9%	4,758,555,567

* Additional detail by subcategory for these categories is presented on the following page.

1 / Includes revenue from adult-use marijuana sales taxes of \$1.4 million for July and \$1.4 million for the fiscal year to date.

2 / Includes revenue from adult-use marijuana excise taxes of \$1.2 million for July and \$1.2 million for the fiscal year to date.

General Fund Revenue
Fiscal Year Ending June 30, 2023 (FY 2023)

Updated 8/25/22

July 2022 Revenue Variance Report

Revenue Category	Fiscal Year-To-Date								FY 2023 Budgeted Totals
	July '22 Budget	July '22 Actual	July '22 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	0	0	0	N/A	N/A	14,813,169
- Real Estate Transfer Tax	133,333	202,352	69,019	133,333	202,352	69,019	51.8%	4.8%	29,474,801
- Liquor Taxes and Fees	1,535,543	279,617	(1,255,926)	1,535,543	279,617	(1,255,926)	-81.8%	-67.9%	22,093,824
- Corporation Fees and Licenses	627,126	1,652,755	1,025,629	627,126	1,652,755	1,025,629	163.5%	121.0%	11,013,649
- Telecommunication Excise Tax	0	(63,947)	(63,947)	0	(63,947)	(63,947)	N/A	N/A	6,200,000
- Finance Industry Fees	2,115,581	1,464,400	(651,181)	2,115,581	1,464,400	(651,181)	-30.8%	-31.6%	25,916,990
- Milk Handling Fee	302,735	75,617	(227,118)	302,735	75,617	(227,118)	-75.0%	56.2%	1,104,564
- Racino Revenue	807,728	897,993	90,265	807,728	897,993	90,265	11.2%	2.1%	8,986,666
- Boat, ATV and Snowmobile Fees	646,069	0	(646,069)	646,069	0	(646,069)	-100.0%	-100.0%	4,559,561
- Hunting and Fishing License Fees	1,920,168	1,353,257	(566,911)	1,920,168	1,353,257	(566,911)	-29.5%	47.3%	15,994,284
- Other Miscellaneous Taxes and Fees	938,000	582,248	(355,752)	938,000	582,248	(355,752)	-37.9%	-41.8%	14,310,477
Subtotal - Other Taxes and Fees	9,026,283	6,444,290	(2,581,993)	9,026,283	6,444,290	(2,581,993)	-28.6%	-13.0%	154,467,985
Detail of Other Revenue:									
- Liquor Sales and Operations	1,642	4,980	(2,937,745)	1,642	4,980	3,338	203.3%	94.1%	28,500
- Targeted Case Management (DHHS)	0	7,176	7,176	0	7,176	7,176	N/A	N/A	0
- State Cost Allocation Program	2,421,271	1,752,937	(668,334)	2,421,271	1,752,937	(668,334)	-27.6%	-32.2%	26,436,802
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	7,700,000
- Tourism Transfer	(12,730,517)	(13,782,509)	(1,051,992)	(12,730,517)	(13,782,509)	(1,051,992)	-8.3%	-56.9%	(21,504,900)
- Transfer to Maine Milk Pool	(418,680)	0	418,680	(418,680)	0	418,680	100.0%	100.0%	(1,405,537)
- Transfer to STAR Transportation Fund	(8,373,234)	(10,187,151)	(1,813,917)	(8,373,234)	(10,187,151)	(1,813,917)	-21.7%	-145.9%	(14,174,000)
- Other Miscellaneous Revenue	1,162,529	1,305,626	143,097	1,162,529	1,305,626	143,097	12.3%	-47.0%	22,080,896
Subtotal - Other Revenue	(17,936,989)	(20,898,940)	(2,972,465)	(17,936,989)	(20,898,940)	(2,961,951)	-16.5%	-134.5%	19,161,761
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	0	0	0	0	0	0	N/A	N/A	0
- BETR - Business Equipment Tax Reimb.	(5,000)	0	5,000	(5,000)	0	5,000	100.0%	100.0%	(17,800,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	0	0	0	0	0	0	N/A	100.0%	(63,240,000)
Subtotal - Tax Relief Transfers	(5,000)	0	5,000	(5,000)	0	5,000	100.0%	100.0%	(81,040,000)
Inland Fisheries and Wildlife Revenue - Total	2,623,128	1,382,747	(1,240,381)	2,623,128	1,382,747	(1,240,381)	-47.3%	-89.8%	21,516,535

Highway Fund Revenue
Fiscal Year Ending June 30, 2023 (FY 2023)

Updated 8/25/22

July 2022 Revenue Variance Report

Revenue Category	Fiscal Year-To-Date								FY 2023 Budgeted Totals
	July '22 Budget	July '22 Actual	July '22 Variance	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	17,499,493	16,782,898	(716,595)	17,499,493	16,782,898	(716,595)	-4.1%	-3.6%	204,095,000
- Special Fuel and Road Use Taxes	3,904,319	3,853,873	(50,446)	3,904,319	3,853,873	(50,446)	-1.3%	-4.8%	50,084,998
- Transcap Transfers - Fuel Taxes	(1,567,365)	(1,523,994)	43,371	(1,567,365)	(1,523,994)	43,371	2.8%	1.1%	(18,680,713)
- Other Fund Gasoline Tax Distributions	(437,609)	(426,375)	11,234	(437,609)	(426,375)	11,234	2.6%	2.1%	(5,103,802)
Subtotal - Fuel Taxes	19,398,838	18,686,403	(712,435)	19,398,838	18,686,403	(712,435)	-3.7%	-4.1%	230,395,483
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	6,641,706	6,649,668	7,961	6,641,706	6,649,668	7,961	0.1%	0.7%	69,162,203
- License Plate Fees	348,142	394,265	46,123	348,142	394,265	46,123	13.2%	-6.4%	3,661,097
- Long-term Trailer Registration Fees	772,927	1,064,796	291,869	772,927	1,064,796	291,869	37.8%	6.7%	12,134,523
- Title Fees	1,335,700	1,384,123	48,423	1,335,700	1,384,123	48,423	3.6%	3.2%	14,325,795
- Motor Vehicle Operator License Fees	817,973	1,023,621	205,648	817,973	1,023,621	205,648	25.1%	1.9%	9,410,348
- Transcap Transfers - Motor Vehicle Fees	0	(12,730)	(12,730)	0	(12,730)	(12,730)	N/A	N/A	(16,518,054)
Subtotal - Motor Vehicle Reg. & Fees	9,916,448	10,503,743	587,295	9,916,448	10,503,743	587,295	5.9%	1.3%	92,175,912
Motor Vehicle Inspection Fees	244,313	105,909	(138,404)	244,313	105,909	(138,404)	-56.7%	-69.2%	3,202,500
Other Highway Fund Taxes and Fees	141,829	163,701	21,872	141,829	163,701	21,872	15.4%	-11.7%	1,267,454
Fines, Forfeits and Penalties	50,534	0	(50,534)	50,534	0	(50,534)	-100.0%	-100.0%	606,412
Interest Earnings	18,432	0	(18,432)	18,432	0	(18,432)	-100.0%	N/A	221,169
Other Highway Fund Revenue	392,841	465,234	72,393	392,841	465,234	72,393	18.4%	-14.8%	11,304,465
Totals	30,163,235	29,924,989	(238,246)	30,163,235	29,924,989	(238,246)	-0.8%	-3.6%	339,173,395