



131st MAINE LEGISLATURE

LD 1544

LR 1661(02)

An Act to Improve Economic Security for Maine Children by Establishing the Maine Dependent Tax Credit

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	\$32,393,918	\$38,066,845	\$43,581,147	\$54,444,104
Appropriations/Allocations				
General Fund	\$93,918	\$123,845	\$128,147	\$132,604
Revenue				
General Fund	(\$32,300,000)	(\$37,943,000)	(\$43,453,000)	(\$54,311,500)
Other Special Revenue Funds	(\$1,700,000)	(\$1,997,000)	(\$2,287,000)	(\$2,858,500)

Fiscal Detail and Notes

This bill increases the Maine dependent exemption tax credit from \$300 to \$350 beginning in tax year 2023 and expands eligibility for the Maine credit relative to current law starting in tax year 2026 when the Maine credit is scheduled to decrease in conjunction with the expiration of federal child tax credit provisions of the 2017 federal Tax Cuts and Jobs Act. The increased amount and expansion of eligibility for this income tax credit will reduce General Fund revenue by \$32,300,000 in fiscal year 2023-24 and \$37,943,000 in fiscal year 2024-25 and reduce Local Government Fund revenue by \$1,700,000 in fiscal year 2023-24 and \$1,997,000 in fiscal year 2024-25.

The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$93,918 in fiscal year 2023-24 and \$123,845 in fiscal year 2024-25 for one Tax Examiner position, effective October 1, 2023, to audit tax returns to verify refundable dependent exemption credit eligibility and amounts claimed.