



# 131st MAINE LEGISLATURE

LD 1747

LR 1078(02)

## An Act to Return the Sales Tax Rate to 5 Percent

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
<b>Net Cost (Savings)</b>				
General Fund	\$45,000,200	\$136,678,400	\$145,297,750	\$147,428,600
<b>Appropriations/Allocations</b>				
General Fund	\$50,000	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$44,950,200)	(\$136,678,400)	(\$145,297,750)	(\$147,428,600)
Other Special Revenue Funds	(\$2,365,800)	(\$7,193,600)	(\$7,647,250)	(\$7,759,400)

### Fiscal Detail and Notes

Reducing the sales tax rate from 5.5% to 5.25% beginning October 1, 2023 and further reducing the rate to 5% beginning July 1, 2024 will decrease General Fund revenue by \$44,950,200 in fiscal year 2023-24 and \$136,678,400 in fiscal year 2024-25. It will also decrease Local Government Fund revenue by \$2,365,800 in fiscal year 2023-24 and \$7,193,600 in fiscal year 2024-25. Any revenues derived from sales on Passamaquoddy, Penobscot, or Maliseet tribal lands taxable at the 5.5% rate would also be impacted, resulting in small reductions in the Passamaquoddy, Penobscot, and Maliseet Sales Tax Funds. These fund distributions are not separately estimated.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$50,000 in fiscal year 2023-24 for computer programming costs associated with the changes to the sales tax.