



# 131st MAINE LEGISLATURE

LD 1873

LR 1495(02)

## An Act to Provide Heating Relief with Tax-free Home Energy Savings Accounts

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	\$0	\$43,536,721	\$50,565,830	\$53,097,471
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$311,721	\$405,830	\$419,971
<b>Revenue</b>				
General Fund	\$0	(\$43,225,000)	(\$50,160,000)	(\$52,677,500)
Other Special Revenue Funds	\$0	(\$2,275,000)	(\$2,640,000)	(\$2,772,500)

#### Fiscal Detail and Notes

This bill establishes an individual income tax deduction for electricity costs of up to \$2,500 for electricity used in a taxpayer's household during the tax year. This deduction is estimated to affect more than 400,000 individual income tax returns annually. It will reduce General Fund revenue by \$43,225,000 and Local Government Fund revenue by \$2,275,000 in fiscal year 2024-25.

The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services, Bureau of Revenue Services beginning at \$300,721 in fiscal year 2024-25 for one Senior Tax Examiner position and two Tax Examiner positions starting October 1, 2024 to audit tax returns claiming the income tax deduction for electricity costs. It also includes a one-time General Fund appropriation of \$11,000 in fiscal year 2024-25 for computer programming costs associated with the new tax deduction.