



132nd MAINE LEGISLATURE

LD 191

LR 274(02)

An Act to Support Maine Businesses by Establishing a Pass-through Entity Tax and Tax Credit

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	(\$28,086,229)	(\$6,625,000)	(\$16,530,000)
Appropriations/Allocations				
General Fund	\$0	\$438,771	\$0	\$0
Revenue				
General Fund	\$0	\$56,525,000	(\$21,375,000)	\$16,530,000
Other Special Revenue Funds	\$0	\$2,975,000	(\$1,125,000)	\$870,000
Transfers				
General Fund	\$0	(\$28,000,000)	\$28,000,000	\$0
Other Special Revenue Funds	\$0	\$28,000,000	(\$28,000,000)	\$0

Fiscal Detail and Notes

This bill would result in a revenue increase to the General Fund of \$56,525,000 in fiscal year 2026-27, a decrease of \$21,375,000 in fiscal year 2027-28 and an increase of \$16,530,000 in fiscal year 2028-29 from establishing a pass-through entity tax. The bill would also result in a revenue increase to the Local Government Fund of \$2,975,000 in fiscal year 2026-27, a decrease of \$1,125,000 in fiscal year 2027-28 and an increase of \$870,000 in fiscal year 2028-29. The bill creates a Pass-through Entity Tax Stabilization Fund and transfers \$28,000,000 in fiscal year 2026-27 from the General fund to the fund and transfers \$28,000,000 in fiscal year 2027-28 from the fund to the General Fund for the purpose of stabilizing the revenue impact of the pass-through entity tax. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$438,771 in fiscal year 2026-27 for administrative expenses to update the State's tax and administration system for a new optional account type for pass-through entities.