

**132nd MAINE LEGISLATURE****LD 856****LR 1636(02)****An Act to Phase Out the Income Tax****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Taxation****Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$218,291,000	\$798,836,000	\$1,436,713,500	\$2,127,781,500
<b>Revenue</b>				
General Fund	(\$218,291,000)	(\$798,836,000)	(\$1,436,713,500)	(\$2,127,781,500)
Other Special Revenue Funds	(\$11,489,000)	(\$42,044,000)	(\$75,616,500)	(\$111,988,500)

**Fiscal Detail and Notes**

This bill includes a revenue decrease to the General Fund of \$218,291,000 in fiscal year 2025-26 and \$798,836,000 in fiscal year 2026-27 by phasing out the Maine income tax, excluding fiduciary income tax, over 5 years beginning in 2026 and requires that state department budgets be reduced proportionately. The bill also includes a revenue decrease to the Local Government Fund of \$11,489,000 in fiscal year 2025-26 and \$42,044,000 in fiscal year 2026-27. There are additional administrative and fiscal impacts of this bill that cannot be determined at this time.