

**132nd MAINE LEGISLATURE****LD 1294****LR 1681(03)****An Act to Expand the Dependent Exemption 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	\$5,733,700	\$5,467,250	\$5,359,900	\$4,788,000
Appropriations/Allocations				
General Fund	\$31,800	\$0	\$0	\$0
Revenue				
General Fund	(\$5,701,900)	(\$5,467,250)	(\$5,359,900)	(\$4,788,000)
Other Special Revenue Funds	(\$300,100)	(\$287,750)	(\$282,100)	(\$252,000)

Fiscal Detail and Notes

This bill would result in a revenue decrease to the General Fund of \$5,701,900 in fiscal year 2025-26 and \$5,467,250 in fiscal year 2026-27 by doubling the dependent exemption tax credit for a child or dependent who has not attained 6 years of age by the end of the tax year and phases out the refundability of the tax credit based on income; \$125,000 for single filers; \$150,000 for head of household filers; and \$175,000 for married joint or surviving spouse filers for tax years beginning on or after January 1, 2025. The bill would also result in a revenue decrease to the Local Government Fund of \$300,100 in fiscal year 2025-26 and \$287,750 in fiscal year 2026-27.

Additionally, the bill includes a one-time General Fund appropriation to the Bureau of Revenue Services within the Department of Administrative and Financial Services of \$31,800 in fiscal year 2025-26 to fund computer programming costs associated with the provisions of this bill.