

**132nd MAINE LEGISLATURE****LD 1505****LR 465(01)****An Act to Phase out the Sales and Use Tax****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Rep. Rudnicki of Fairfield****Committee: Taxation****Fiscal Note Required: Yes**

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**Preliminary Fiscal Impact Statement**

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
<b>Net Cost (Savings)</b>				
General Fund	\$86,809,998	\$185,354,607	\$276,180,561	\$379,650,890
<b>Appropriations/Allocations</b>				
General Fund	\$5,300	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$86,804,698)	(\$185,354,607)	(\$276,180,561)	(\$379,650,890)
Other Special Revenue Funds	(\$3,630,866)	(\$10,680,128)	(\$16,462,014)	(\$23,972,900)

**Fiscal Detail and Notes**

This bill includes a revenue decrease to the General Fund of \$86,804,698 in fiscal year 2025-26 and \$185,354,607 in fiscal year 2026-27 by phasing out all sales and use tax rates by 1/2 of a percentage point every two years beginning January 1, 2026 until the rates are 0%. This phaseout will decrease revenue to (1) the Local Government Fund by \$3,563,631 in fiscal year 2025-26 and \$9,782,323 in fiscal year 2026-27, (2) the Multimodal Transportation Fund by \$210,213 in fiscal year 2026-27, (3) the Tourism Marketing Promotion Fund by \$507,236 in fiscal year 2026-27 and (4) the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund by \$67,235 in fiscal year 2025-26 and \$180,356 in fiscal year 2026-27.

Additionally, the Bureau of Revenue Services within the Department of Administrative and Financial Services will require a one-time General Fund appropriation of \$5,300 in fiscal year 2025-26 to fund computer programming costs associated with the provisions of this bill.