



132nd MAINE LEGISLATURE

LD 1505

LR 465(02)

An Act to Phase out the Sales and Use Tax

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	\$86,809,998	\$185,354,607	\$276,180,561	\$379,650,890
Appropriations/Allocations				
General Fund	\$5,300	\$0	\$0	\$0
Revenue				
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 bill includes a one-time General Fund appropriation of \$5,300 in fiscal year 2025-26 to the Bureau of Revenue Services within the Department of Administrative and Financial Services to fund computer programming costs associated with the provisions of this bill.