

**132nd MAINE LEGISLATURE****LD 1879****LR 2291(02)****An Act to Support Maine's Agricultural Economy by Increasing Revenue from the Corporate Income Tax and Providing Property Tax Exemptions****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	(\$12,529,845)	(\$19,774,011)	(\$20,573,433)
Appropriations/Allocations				
General Fund	\$0	\$155,480	\$0	\$0
Other Special Revenue Funds	\$12,055,500	\$28,383,175	\$28,989,489	\$28,988,067
Revenue				
General Fund	\$0	\$12,685,325	\$19,774,011	\$20,573,433
Other Special Revenue Funds	\$12,690,000	\$30,544,675	\$31,555,989	\$31,596,567

Fiscal Detail and Notes

This bill increases the top marginal corporate income tax rate to 10% on income over \$3,500,000 for tax years beginning on or after January 1, 2026. The bill directs that the additional revenue be distributed in the following amounts, in the order of priority shown below, and to the extent funds are available:

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Estimated Revenue	\$ 12,690,000	\$ 43,230,000	\$ 51,330,000	\$ 52,170,000
Local Government Fund	\$ 634,500	\$ 2,161,500	\$ 2,566,500	\$ 2,608,500
Dairy Tier Stabilization Program	\$ 12,055,500	\$ 19,383,175	\$ 19,989,489	\$ 19,988,067
Maine Agriculture, Food and Forest Products Investment Fund	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Business Recovery and Resilience Fund	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Agricultural Marketing Loan Fund	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Dairy Improvement Fund	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Retained by General Fund	\$ -	\$ 12,685,325	\$ 19,774,011	\$ 20,573,433

This estimated distribution is based on the most recent Revenue Forecasting Committee report, dated May 1, 2025. The report is updated twice annually. The transfer amounts to the tier program and the remaining transfer to the General Fund, after all other required distributions are made, will adjust in future fiscal years to reflect the updated forecast. The bill includes corresponding allocations to authorize expenditure of the additional projected revenue.