

**Testimony of Elaine Clark, Commissioner
Department of Administrative and Financial Services**

**Before the Joint Standing Committees on
Appropriations and Financial Affairs
and Taxation**

**“An Act Making Supplemental Appropriations and Allocations from the
General Fund and Other Funds for the Expenditures of State Government
and Changing Certain Provisions of the Law Necessary to the Proper
Operations of State Government for the Fiscal Years Ending June 30, 2026
and June 30, 2027”**

February 19, 2026

Good morning, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Grohoski, Representative Sayre and members of the Joint Standing Committee on Taxation. I am Elaine Clark, the Commissioner of the Department of Administrative and Financial Services. I am here today to testify in support of the fiscal year 2026-2027 supplemental budget bill, LD 2212.

This is the final budget proposal from this Administration. The proposal delivers financial relief to Maine people, preserves programs lawmakers and Maine people support, and addresses some emergent issues, including impacts of new federal legislation. Governor Mills’ guiding belief has always been that our strongest asset is the people of Maine and that’s why this budget, like those in the past, seeks to invest in and support them. We look forward to working with the Legislature in the coming weeks to enact a balanced budget that supports Maine people and protects the fiscal health of our state.

I am here today in support of those items on today’s agenda relating to the Department of Administrative and Financial Services, specifically those related to tax. Dr. Michael Allen, the Associate Commissioner for the Office of Tax Policy, is also in attendance.

I will start with the initiatives in the **Bureau of Revenue Services (0002)** program on **Page A-4**.

This program serves the citizens of Maine by administering the tax laws of the State effectively and professionally while simultaneously collecting the revenues necessary to support Maine government. The Bureau also oversees municipal property tax administration, including the assessment and collection of property and excise taxes for the Unorganized Territory. The Bureau conducts the annual State Valuation process that is used to calculate county taxes, establish municipal and school bond debt limits, and determine education funding and revenue sharing.

The first initiative reduces allocation in the Maine Military Relief Fund program. The cost of administering the Maine Military Family Relief Fund voluntary checkoff on Individual Income Tax returns is provided elsewhere in statute. As such, this outdated allocation is no longer necessary.

Reduces allocation for the Bureau of Revenue Services Maine Military Family Relief program. Funding for cost of administering the Maine Military Family Relief Fund voluntary checkoff on Individual Income Tax returns is provided through Title 36, §5283-A: Voluntary contribution through checkoffs. This allocation, provided in P.L. 2007, c674, Sec. 3, is not necessary. This is an Other Special Revenue allocation reduction of (\$5,500) All Other in fiscal year 2026 and fiscal year 2027.

The next initiative provides one-time funding to update the State's tax and administration system for a new optional account type for pass-through entities, which we will discuss more in the language component of my testimony, specifically **Part N**, which begins on **Page 30** of the language document.

Provides one-time funding for administrative expenses to update the State's tax and administration system for a new optional account type for pass-through entities. The new pass-through entity (PTE) tax type will require Maine Revenue Services, Income Tax Division to establish rules for taxpayer election for PTE registration, create and adopt a new PTE tax return, develop business rules for the processing of PTE tax return line items, and configure the interfaces and many modes necessary to receive

and process the new returns. The vendor's configuration of the functionality to accept, process, post, and allow taxpayers to file for this new tax cannot begin until the basic form, line items, and the rules for the processing of the information have been published. This is General Funds of \$438,771 All Other in fiscal year 2027.

The next initiative reinstates \$5 million of appropriations ongoing to Maine Revenue Services for baseline operations to administer the tax laws of the State effectively and professionally while simultaneously collecting the revenues necessary to support Maine government. It also reduces allocation in the Federal Expenditures Fund – ARP State Fiscal Recovery.

Public Law 2023, chapter 643, moved General Fund expenses to the Federal Expenditures Fund – ARP State Fiscal Recovery. American Rescue Plan U.S. Treasury guidance allowed for a certain amount of funding to be used for the “Provision of Government Services.” MRS All Other expenditures met those requirements. The transfer, in a manner consistent with U.S. Treasury guidance, freed up General Funds in fiscal year 2025 for the budget by moving allowable Maine Revenue Services salary and operations expenses to the federal funds. This was \$5 million of Personal Services and \$5 million of All Other.

This initiative came later in the budget process and, in our haste, we neglected to put in the phrase “one-time”, which meant that the reduction to All Other was carried forward as ongoing into this biennial (the salaries piece was corrected as part of the biennial baseline process for Personal Services). At the time of the initiative, it was made clear that the transfer was meant to be a one-time reduction to match the one-time availability of the federal funds. In a time of rising costs and increasing expectations, MRS does a remarkable job of managing its tight operations budget to accomplish its statutory mandates, including tax-filer support, audits, collections, and processing the revenues necessary for the programs and services of state government. This initiative puts the \$5 million back into All Other ongoing effective fiscal year 2027 as the division cannot and was never meant to absorb a permanent reduction.

Adjusts funding by increasing General Fund appropriations and decreasing Federal Expenditures Fund - ARP State Fiscal Recovery funds within the Maine Revenue

Services program in order to reverse a fiscal year 2025 reduction in Public Law 2023, chapter 643 that was intended to be one-time, but was processed as ongoing in error.

Public Law 2023, chapter 643, initiative: Adjusts funding by decreasing General Fund appropriations and increasing Federal Expenditures Fund - ARP State Fiscal Recovery funds in the Revenue Services, Bureau of program to allow for the expenditure of federal funds in a manner consistent with United States Department of the Treasury guidance. Federal funding is available from the allocation provided to the department in Public Law 2021, chapter 483, Part Y.

The final initiative in this program is a reclass. The State's collective bargaining unit agreements include negotiated language related to the reclassification process. Reclasses may be employee-initiated (usually referred to as reclass) or management-initiated (usually referred to as reorganization). Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Our Department's reclass and reorganization requests are summarized at the end of testimony as **Table D**.

Provides funding for the approved reclassification from one Business Systems Administrator position to a Tax Section Manager position. This is General Funds of \$7,550 Personal Services in fiscal year 2026 and \$7,834 Personal Services in fiscal year 2027.

Now I will transition to the language parts.

The tax provisions of the Governor's supplemental budget will help to modernize and simplify Maine's tax laws and will provide tax relief through property tax reform and broad but deliberate conformity to the federal tax law changes made by federal Public Law Number 119-21, "The One Big Beautiful Bill Act" or, for our purposes, "OB3." The supplemental budget also proposes the creation of a pass-through entity tax ("PTET"), which will provide both federal tax relief to Maine taxpayers and revenue to the State. I will discuss the Administration's approach and rationale for the property tax (Parts M and O), conformity (Part K), and PTET (Part N) proposals.

I have included with my written testimony an Appendix, which lays out, among other items, the fiscal impact estimates for these parts of the supplemental budget.

I – Conformity to Federal Public Law No. 119-21 (The One Big Beautiful Bill Act – OB3)

Part K is found on **Pages 14 through 22** of the General Fund language document. This part addresses conformity to the tax provisions in OB3 that would directly link to Maine tax law. Historically, Maine has largely chosen to conform to provisions of the federal Internal Revenue Code. This usually is done in a routine bill, adopted every legislative session, by updating the conformity date in the definition of the Internal Revenue Code in Title 36 and thereby updating other important definitions—including “adjusted gross income,” which will be discussed below—in Title 36 of the Maine Statutes to conform to the current federal definitions of those same terms.

Conforming in this manner offers substantial advantages to taxpayers and the State. For taxpayers, filing their Maine income tax returns is relatively simple if Maine and federal law match. For the State, conforming with these federal definitions greatly simplifies tax administration. This is because Maine looks to the statutory, case law, and regulatory authority developed at the federal level, rather than having to develop and administer this authority on its own. Therefore, **Part K** proposes to conform to almost all the “direct” conformity items in the OB3 in tax year 2026 and beyond. See Table A in the Appendix for details. This Part also proposes to adopt and legislatively enact the Governor’s Internal Revenue Code (IRC) conformity direction for tax year 2025 under PL 2025 c.336. See Table A-1 in the Appendix for details. The 2025 directions were previously presented to the AFA and TAX Committees on October 17, 2025, and are currently being utilized for the 2026 tax filing season for tax years beginning in 2025.

Before getting into the details, I want to emphasize that—with two, narrow exceptions relating to “bonus depreciation,” which I’ll discuss shortly—the supplemental budget as proposed would have Maine adopt all of the “direct conformity” items in the OB3, although one of them will be phased in over a period of years to moderate the fiscal impact of some of the costlier changes.

Let me quickly define a couple of important terms: “direct conformity” and “adjusted gross income.” In this testimony, when I talk about “direct conformity” items, I mean items where simply updating Maine’s conformity date will automatically cause Maine to conform with federal changes through that date. Since one of the key definitions Maine conforms with is “adjusted gross income,” any federal changes which affect a taxpayer’s federal adjusted gross income (FAGI) will automatically be incorporated into Maine law when Maine updates its conformity date.

“Adjusted Gross Income” – also referred to as “AGI” – is an important concept in federal individual income tax. We have included a few pages of IRS Form 1040 as Exhibit A in the Appendix. If you look at that form, you’ll see “Adjusted Gross Income” on line 11a, the very last box on the first page (highlighted in red).

Because of the importance of AGI, tax practitioners pay a lot of attention to that line. Any change to federal law that affects an item listed *above* line 11a would be automatically incorporated into Maine law under a standard “direct conformity” bill. On the other hand, most items that appear *below* federal adjusted gross income are not incorporated into Maine law, and would not be changed as a matter of Maine law under a standard conformity approach.

Let me give two brief examples using again the federal 1040 form in Exhibit A to illustrate the “above-the-line” and “below-the-line” distinction. First, the OB3 changes the way certain moving expenses may be deducted. The federal deduction for moving expenses appears above the FAGI line—specifically, it would be included on line 10, “adjustments to income from Schedule 1”—and therefore by updating its conformity date, Maine would directly conform to those changes, and Maine taxpayers would get the same treatment for moving expenses at the federal and state levels. On the other hand, the OB3 also excludes certain tips from income. That exclusion appears below the FAGI line—specifically, on line 13b, “additional deductions from schedule 1-A”—and therefore there is no “direct conformity” link between Maine and federal law on that point. Maine could choose to conform by creating its own exclusion for tip income, but it would not be a “direct” conformity item. Important tax lines have been highlighted in Exhibit A for reference.

The supplemental budget proposes full conformity for virtually all “direct conformity” items. For details on the workings of those items, the Maine Office of

Tax Policy is finalizing a consolidated conformity report that we will have ready for the work session and will then post to the Office of Tax Policy section of the MRS website. We will be sure to get a paper copy to AFA members at that time. The rest of this testimony will examine the handful of areas where the supplemental budget differs, in whole or in part, from the OB3 changes.

Research and Experimental (R&D) Expenses

The OB3 creates a new Code section 174A, which allows taxpayers to immediately deduct domestic R&D expenses, including software development costs, paid or incurred in 2025 and later years. Alternatively, taxpayers can elect to capitalize and amortize domestic R&D expenses over a period of at least 60 months. The OB3 also contains catch-up provisions, allowing certain small businesses to amend their returns for 2022 through 2024 to retroactively apply this rule for expenses incurred during those tax years. Further, all qualifying businesses may elect to deduct the unamortized balance of previously capitalized domestic R&D expenses—either entirely in 2025, or ratably over 2025 and 2026.

The federal change restores the domestic R&D expense treatment that existed under both federal and Maine tax law prior to the Tax Cuts and Jobs Act of 2017 (TCJA). Immediate R&D expensing has strong economic and tax policy justifications and has had significant and lasting bipartisan support. The TCJA's removal of immediate R&D expensing raised revenue at both the federal and State levels, causing a significant increase in Maine State Corporate Income Tax revenue.

For small businesses, defined by the OB3 as businesses with annual gross receipts of \$31 million or less, the supplemental budget proposes to fully conform to the federal R&D tax changes, including the retroactive changes and catch-up provisions. This treatment goes slightly beyond the Governor's earlier direction under PL 2025 c.336, which did not allow for the full use of the catch-up provisions. For large businesses, the supplemental budget proposes to phase up to full conformity between tax years 2026 and 2030. These businesses will still be eligible to deduct the same amount, but over multiple years instead of all at once. And even during the phase up period, they will receive a tax break relative to pre-OB3 law. This approach balances the importance of supporting R&D in the State against the substantial cost of immediate conformity. Full conformity would have been approximately \$142 million over this biennium versus the \$18 million in this proposal. See Table C in

the Appendix for examples of how large businesses would deduct R&D expenses during the phase-up period.

Bonus Depreciation and Accelerated Depreciation for Qualified Production Property

The Governor's supplemental budget proposes to continue the law's current approach of non-conformity to these direct, above-the-line deductions. Maine does not, and has only rarely, conformed to federal bonus depreciation, and the upfront costs to conforming would be large. Both retroactive and future conformity would come with a substantial cost. *See the forthcoming Office of Tax Policy consolidated report for details.*

The OB3 also creates a new, elective 100% depreciation deduction for "qualified production property" placed in service after July 4, 2025. Unlike most direct conformity items, conforming to this provision without also conforming to Bonus Depreciation would actually increase, rather than decrease, administrative complexity. Furthermore, Maine's Dirigo Business Incentives Program already provides tax benefits for new capital investments in Maine. The cost of conforming to this provision would initially be small but would increase significantly over time. *See the forthcoming Office of Tax Policy consolidated report for more details on the fiscal impact of these provisions.*

Ultimately, the Governor has supported a wide variety of other investment initiatives during her tenure, including the proposed conformity to R&D expensing, and therefore does not believe that the benefits of conforming to either the federal Bonus Depreciation or the new Qualified Production Property provision outweigh each provision's substantial cost.

OB3 Indirect Conformity Items

In addition to the direct, above-the-line conformity items, the OB3 contains a number of provisions affecting below-the-line items. Updating Maine's conformity date would have no effect on these items; the Legislature can choose to conform or not conform to any of them, but that decision would not be a direct conformity item. The Governor's supplemental budget takes a measured approach to these indirect provisions. *See the forthcoming Office of Tax Policy consolidated report for more details on the technical workings of these provisions.*

Standard Deduction

Prior to the OB3, the federal standard deduction for 2025 was scheduled to be \$15,000 for single taxpayers and married taxpayers filing separately, \$22,500 for taxpayers filing as head of household, and \$30,000 for married taxpayers filing jointly. The OB3 increased those amounts, effective for tax year 2025, to \$15,750, \$23,625, and \$31,500, respectively. These amounts are subject to an annual inflation adjustment in subsequent years, and these changes will be permanent features of federal tax law going forward.

The supplemental budget proposes to move halfway to the new standard deduction for tax year 2026 and then fully conform beginning in tax year 2027. The annual cost of full conformity is over \$30 million per year. This phase-in approach will provide broad, permanent tax relief to an estimated 445,000 full-year resident taxpayers.

Charitable Deduction for Nonitemizers

Traditionally, taxpayers who itemize their deductions have been allowed a deduction for their charitable contributions. The OB3 permanently expanded the availability of this deduction for certain types of charitable contributions by those who instead claim the standard deduction.

The supplemental budget proposes conforming to the new charitable deduction for nonitemizers starting with a state deduction equal to 50% of the federal deduction in tax year 2027 and full conformity starting in tax year 2028. When fully phased in, this conformity item will provide a maximum deduction of \$1,000 for taxpayers (\$2,000 for joint filers) and is estimated to cost \$10 million per year.

Paid Family and Medical Leave Credit

Under current law, Maine's employer credit for family and medical leave is scheduled to end after tax year 2025. The Governor's supplemental budget keeps that end date and repeals the credit. While the federal family and medical leave credit was extended by the OB3, the State credit is no longer necessary because Maine, unlike the federal government, has enacted a comprehensive and affordable paid family and medical leave program.

No Tax on Tips, Overtime, and Car Loan Interest

The supplemental budget proposes continuing Maine's current tax law treatment of tips, overtime, and car loan interest payments. The OB3 created a temporary change to the way those items are treated at the federal level; from now through the end of tax year 2028, most taxpayers with tip or overtime income, or who pay interest on certain auto loans, will be allowed a federal income tax deduction for a portion of the payment. Unlike the increased standard deduction and broadly available charitable deduction, the new deductions in the OB3 for tips, overtime, and car loan interest would impact a narrow range of taxpayers and would create inequitable tax treatment for taxpayers at similar income levels but with specific types of income or expenses. For example, under the OB3 a server receiving a combination of wages and tips would pay less income tax than a cook or dishwasher receiving only wages. Similarly, a person working 60 hours a week at one job and receiving overtime pay would get more favorable tax treatment than someone working two 30-hour jobs. Conforming to these temporary provisions would add complexity and uncertainty to the Maine income tax; the Governor's budget focuses on solving permanent problems for the State, instead.

Furthermore, the Governor's Affordability Checks will provide immediate, meaningful tax relief to a far broader range of Maine taxpayers without the administrative complications and uncertainty that conforming to these indirect, temporary provisions would bring.

Senior Exemption

The OB3, in an apparent attempt to reduce federal taxation of social security benefits, allows a temporary personal exemption of up to \$6,000 for taxpayers aged 65 and older, phased out when modified adjusted gross income exceeds \$75,000 (\$150,000 for joint filers). In doing so, the federal income tax treatment moved closer to that of Maine. I am pleased to say that Maine does not tax social security benefits, allows a personal exemption for all taxpayers on top of the standard deduction, not just for seniors, and allows a deduction for pension benefits that has been significantly increased in recent years from a maximum deduction amount of \$10,000 at the start of the Administration to over \$48,000 in tax year 2025, with a phaseout that does not begin until Maine adjusted gross income exceeds \$125,000 (\$250,000 for joint filers). The cost of conforming to the Senior Exemption would

be an additional \$30 million per year. *For more details on the fiscal impact of the Senior Exemption, see the forthcoming Office of Tax Policy consolidated report.*

II - Property Tax Modernization and Simplification

Part M is found on **pages 23 through 30** of the language document. This part makes two changes to Maine's property tax system. First, it expands and simplifies the property tax exemption for veterans by incorporating the work done by the Legislature on L.D. 888, "An Act to Expand Property Tax Relief for Veterans and Survivors of Veterans," sponsored by Representative Hymes and carried over by the Appropriations and Financial Affairs Committee. Second, it consolidates the existing homestead, veterans, and blind persons property tax exemptions into a single, tiered homestead exemption. See Exhibits B and C for the veteran's exemption under current law and the consolidated exemption under the budget proposal, respectively.

Under current law, similar—but not identical—laws govern the property tax exemptions for homesteads, veterans, and blind persons. This can create difficulty and confusion for taxpayers (who can have a hard time identifying which exemptions are available to them and establishing their eligibility under the separate programs) and for municipal officials (who must understand the complexities and inconsistencies of multiple exemptions with slightly different rules and requirements).

The supplemental proposal, based on L.D. 888, consolidates the three exemptions into a single tiered homestead exemption. Effective for property tax years beginning on or after April 1, 2027, the proposal in the supplemental budget bill:

- 1) Maintains the base homestead exemption at \$25,000.
- 2) Creates a new, simplified and expanded exemption for veterans, which eliminates complicated service period and age/disability requirements that exist under current law and provides that all veterans are eligible for at least some amount of exemption, starting at \$5,000 of just value for non-disabled veterans of less than 62 years of age, and progressing upward from there to reflect differences in age and disability rating. We estimate an additional 24,000 veterans will be eligible for the expanded exemption, a 67% increase in eligibility compared to current law.

- 3) Creates a new exemption of \$5,000 of just value for blind persons.
- 4) Repeals the existing exemptions for veterans and blind persons.
- 5) Increases municipal reimbursement for exemptions granted for blind persons and veterans by reimbursing at the current homestead reimbursement rate of 76%. Currently there is no reimbursement for the blind exemption and 50% reimbursement for some portions of the veteran's exemption.
- 6) Better organizes and simplifies administrative provisions for the new consolidated exemptions.
- 7) Directs the State Tax Assessor to publish updated guidance explaining and implementing the consolidated exemption, including assuring that people currently qualified for the veterans' or blind persons' exemptions do not need to reapply to be eligible under the new provisions.

I am going to skip to **Part O** now, because it is on the same subject. **Part O** is found on **pages 38 through 39** of the language document. **Part O** funds, in part, the veterans exemption expansion made in **Part M** by ending the Business Equipment Tax Reimbursement Program (BETR), which has failed to keep up with the needs of the State and has been surpassed by more modern investment incentives like the Business Equipment Tax Exemption (BETE) and the Dirigo Business Incentives Program. The proposal reduces BETR reimbursement by 50% for the application period beginning August 1, 2026, and sunsets BETR entirely at the conclusion of that year.

The BETR program reimburses businesses for a portion of property tax paid on eligible equipment. Although in its heyday BETR applied to a wide array of business property throughout the state, the passage of time and Maine's similar, but more expansive BETE program (which would not be changed under this proposal) have made it largely obsolete. Specifically, the only types of property still eligible for reimbursement under BETR are: (1) property placed in service after April 1, 1995, that is located in a retail sales facility and used in a retail sales activity, and (2) certain non-retail property placed in service between April 1, 1995, and April 1, 2007 (non-retail property placed into service after 2007 is instead eligible under BETE).

Annual BETR reimbursement is heavily weighted toward non-retail property placed into service on or before April 1, 2007. Since less and less of that equipment remains

in active use, the annual cost of the BETR program has been decreasing, from \$24.9 million in FY19 to a forecast of \$16.8 million in FY26. This equipment has been receiving an incentive subsidy for decades, and, under current law, is scheduled to keep receiving it indefinitely; the BETR reimbursement can no longer be justified. Instead, the Administration believes the State's finite resources are better spent incentivizing new investments through more modern programs like BETE and the Dirigo Business Incentives Program and incentivizing research through the conformity to Code section 174A discussed above. The repeal of BETR would also end an unnecessary subsidy for certain retail property.

III – Pass-Through Entity Tax (PTET)

Now, let me come back to **Part N**, found on **pages 30 through 37** of the language document. This Part creates a new, elective “pass-through entity tax,” or “PTET.” The PTET would provide significant net federal tax savings to owners of certain “pass-through entities” and generate approximately \$17.5 million annually for Maine by providing a work-around to the now permanent federal State and Local Tax (SALT) Deduction limits enacted in the Tax Cuts and Jobs Act (TCJA) of 2017 and OB3. Because the PTET is a response to changes to federal tax law, it is important to provide a bit of background.

Federal tax law generally allows individuals and businesses a deduction for the amount of state and local taxes they pay, subject to some limitations. However, in 2017 under the TCJA, Congress temporarily limited the ability of individuals to deduct those payments and in 2025 the OB3 made the SALT deduction cap permanent. Individuals may deduct up to \$40,000 of SALT payments through 2029, and up to \$10,000 thereafter. The ability of businesses to deduct SALT payments is unchanged. The PTET is designed to take advantage of that discrepancy, at no cost to Maine's taxpayers.

Under federal and Maine tax law, pass-through entities do not, themselves, pay tax. Instead, items of income, deduction, loss and so forth generated by the business entity are “passed through” to the owners, who report them on their individual tax returns. Therefore, if a pass-through entity's activities generate \$100 in income, and the entity is owned equally by two individuals, each of those individuals would be taxed on \$50, which they would pay individually. They would then be eligible to claim those tax payments as itemized deductions on their individual federal income

tax returns. Of course, now that federal law permanently limits the ability of individuals to deduct SALT taxes, owners of pass-through entities may receive smaller itemized deductions on their federal returns for these payments.

The PTET proposal provides relief from this problem. It has three main elements. First, it contains an elective entity-level income tax on pass-through entities, so that the entity, rather than its owners, can pay Maine taxes due. Secondly, to avoid double taxation (while generating some revenue for Maine), the PTET program allows a corresponding refundable Maine individual income tax credit, equal to 90% of the individual's distributive share of the tax paid at the entity level. Finally, in order to harmonize the PTET with the fact that many pass-through entities have owners and operations in multiple jurisdictions, it expands Maine's credit for taxes paid to other taxing jurisdictions to now include the individual's distributive share of PTET imposed by other jurisdictions, as long as those jurisdictions impose "substantially similar" individual income and pass-through entity taxes.

Pass-through entities, under this proposal and similar taxes enacted by the vast majority of states that have individual income taxes, may (but are not required to) pay Maine income taxes, which mitigates the effects of the federal SALT cap. This is why the PTET is often referred to as a SALT cap workaround. It is important to note that no taxpayer is required to do this, and we expect the election to pay the PTET will only be made where doing so reduces the net tax liability of PTET owners (by allowing them to circumvent the federal SALT deduction limit). As such, this proposal would primarily affect taxpayers who own a pass-through entity business and have high income and other state tax liabilities.

While this proposal stands to benefit both taxpayers and the State, it requires a significant dedication of administrative resources to build out the new tax program and as such, this proposal has been designed to work as efficiently as possible for both taxpayers and the State. **Part N** continues the work the Taxation Committee has done on L.D. 191, "An Act to Support Maine Businesses by Establishing a Pass-through Entity Tax and Tax Credit." It further integrates the proposal into Title 36, provides necessary administrative and technical details, and focuses on creating a tax that is efficient and effective for taxpayers, while being as simple as possible for the State to administer.

This concludes my testimony on the taxation portion of the Governor's budget. My colleagues and I would be happy to answer any questions the Committees might have. Thank you.

Appendix:

Table A: Conformity Fiscal Impact by Provision

Conformity Provisions	Fiscal Year			
	2026	2027	2028	2029
Qualified Disaster Loss (c. 336)	Negligible Loss			
Increase in standard deduction amount, 50% of increase in TY 2026	\$0	-\$29,000,000	-\$32,300,000	-\$32,250,000
Enhancement of Child and Dependent Care Credit	\$0	-\$1,760,000	-\$1,750,000	-\$1,700,000
Enhancement of Dependent Care Assistance Program	\$0	-\$515,500	-\$376,000	-\$395,000
Exclusion for Employer Payments of Student Loans	\$0	-\$1,435,000	-\$1,080,000	-\$1,155,000
Extension of Limitation on Deduction and Exclusion for Moving Expenses	\$0	\$621,000	\$639,000	\$658,000
0.5% Floor on Deduction of Contributions made by Individuals	\$0	\$200,000	\$200,000	\$200,000
Extension and Modification of Limitation on Deduction for Qualified Residence Interest	\$0	\$210,000	\$210,000	\$210,000
Termination of Non-Education Miscellaneous Itemized Deductions	\$0	\$1,500,000	\$1,500,000	\$1,500,000
Miscellaneous (Individual) ¹	\$0	-\$98,000	-\$103,000	-\$128,000
Sec. 179 Expensing (c. 336)	\$0	-\$2,200,000	-\$1,880,000	-\$1,570,000
Business Interest Deduction Limitation: EBITDA income measure (c. 336)	\$0	-\$6,160,000	-\$5,010,000	-\$4,300,000
Business Interest Deduction Limitation: Subpart F and Net CFC Tested Income	\$0	\$900,000	\$850,000	\$750,000
R&D Expense Deduction: Full conformity for small business and phase-in to full conformity for others ²	-\$1,780,000	-\$15,310,000	-\$28,090,000	-\$38,830,000
Coordination of Business Interest Limitation with Interest Capitalization Provisions	\$0	\$660,000	\$690,000	\$800,000
1% Floor on Deduction of Charitable Contributions Made by Corporations	\$0	\$2,140,000	\$2,080,000	\$1,960,000
Excessive Employee Remuneration	\$0	\$1,131,000	\$1,070,000	\$1,143,000
Exception to Percentage of Completion Method of Accounting for Certain Residential Construction Contracts	\$0	-\$728,000	-\$267,000	-\$168,000
Qualified Farm Property Capital Gains (c. 336)	\$0	-\$1,210,000	-\$835,000	-\$460,000
Expansion of Qualified Small Business Stock Gain Exclusion ³	\$0	\$0	\$0	-\$145,000
Broadening of Net CFC Tested Income Inclusion	\$0	\$1,710,000	\$1,760,000	\$1,820,000
Other International Tax Reforms ⁴	\$0	\$92,000	\$63,000	\$11,000
Modification and Extension of Limitation on Excess Business Losses of Noncorporate Taxpayers	\$0	\$275,000	\$150,000	\$600,000
Permanent Renewal and Enhancement of Opportunity Zones ⁵	\$0	-\$5,250,000	-\$9,760,000	-\$9,620,000
Treatment of Payments from Partnerships to Partners for Property or Services	\$1,140,000	\$1,580,000	\$1,510,000	\$1,230,000
Miscellaneous (Other) (c. 336) ⁶	\$0	-\$119,000	-\$139,000	-\$170,000
Conform to limited charitable contribution deduction for federal non-itemizers: 0% in TY 2026, 50% in TY 27, 100% TY 28+	\$0	\$0	-\$4,850,000	-\$10,040,000
Paid Family Medical Leave Credit ⁷	Negligible Gain			
Total Cost of Conformity Package	-\$640,000	-\$52,766,500	-\$75,718,000	-\$90,049,000
General Fund Revenue	-\$608,000	-\$50,128,175	-\$71,932,100	-\$85,546,550

1. Certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts (distributions made after DOE); Spaceports are treated like airports under exempt facility bond rules (obligations issued after DOE); Treatment of certain qualified sound recording productions (commencing in tax years ending after DOE); Exclusion of interest on loans secured by rural or agricultural real property (tax years ending after DOE); ACRS/Energy Efficient property; extension and modification of limitation on casualty loss deduction, limitation on tax benefit of itemized deductions, extension and modification of qualified transportation fringe benefits, extension and modification of limitation on wagering losses, extension and enhancement of increased limitation on contributions to ABLE accounts, extension of rollovers from qualified tuition programs to ABLE accounts permitted, extension of treatment of certain individuals performing services in the Sinai Peninsula and enhancement to include additional areas, extension and modification of exclusion from gross income of student loans discharged on account of death or disability, trump accounts, and contribution pilot program.
2. Under this proposal, the Maine will fully conform to the federal R&D deduction by tax year 2031. The share of current year expenses that may be deducted in the year incurred is 30% in tax year 2026 and increases 20 percentage points per year until reaching 100% in 2030. Amounts not deducted in the year incurred are recaptured in equal amounts over the interval with a fixed end year of 2030.
3. The annual revenue loss through fiscal year 2029 is minimal due to holding period requirements. The revenue loss is estimated to eventually grow to \$3 - \$4 million per year.
4. The revenue loss assumes that private "opt-out" plans offered to satisfy the requirements of the Maine Paid Family and Medical Leave program are not eligible for the Maine credit. Under current law these plans are likely not eligible for the federal credit and therefore not eligible for the Maine credit. Conformity legislation may clarify that employers subject Maine PFMLA withholding or opt-out requirements are ineligible for the Maine credit to resolve any uncertainty about the application of IRS guidance.
5. Includes the following provisions: Permanent extension of look-thru rule for related controlled foreign corporations, repeal of election for 1-month deferral in determination of taxable year of specified foreign corporations, restoration of limitation on downward attribution of stock ownership in applying constructive ownership rules, and modifications to pro rata share rules.
6. The revenue loss in fiscal years 2027 – 2029 will be higher than the revenue loss in later years both because these years cover the peak investment years for the upcoming 10-year cycle and because the capital gains deferral has not ended for any new investment vintage in these tax years. The Joint Committee on Taxation predicts that the federal revenue loss from Opportunity Zones falls 46% in federal fiscal year 2030 and that these policies slightly increase revenues in federal fiscal years 2033 and 2034.
7. Other less significant provisions of the 2025 Act affecting corporations and businesses are the: Exceptions from limitations on deduction for business meals, tax credit for contributions of individuals to scholarship granting organizations, additional expenses treated as qualified higher education expenses for purposes of 529 accounts, certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts, nonprofit community development activities in remote native villages, adjustment of charitable deduction for certain expenses incurred in support of Native Alaskan subsistence whaling, restoration of taxable REIT subsidiary asset test, termination of energy efficient commercial buildings deduction, and termination of cost recovery for energy property.

Table A-1: Codification of Governor's 2025 Direction

Provision	2025 Implementation Status ¹	Tax Year 2025 Revenue Change ²
Qualified Disaster Loss	Conformed	Negligible Loss
Qualified Farm Property	Conformed	Negligible Loss
Sec. 179 Expensing	Conformed	-\$2.00
Business Interest Deduction	Conformed	-\$6.80
R&D Expenses		
Allow small business amended returns only	Conformed	-\$4.70
Miscellaneous ³	Conformed	Negligible
Total Projected Cost ⁴		-\$13.50

1. Provisions listed as conformed are conditionally conformed to resulting from the Governor's instruction under PL 2025 c.336.

2. The tax year 2025 revenue loss will primarily be spread over fiscal years 2026 and 2027.

3. Certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts (distributions made after DOE), Spaceports are treated like airports under exempt facility bond rules (obligations issued after DOE), Treatment of certain qualified sound recording productions (commencing in tax years ending after DOE), Exclusion of interest on loans secured by rural or agricultural real property (tax years ending after DOE), and ACRS/Energy Efficient property.

4. The tax year 2025 cost of the Governor's 2025 conformity direction was already included in the December 1, 2025, Revenue Forecasting Committee revenue forecast. Codifying the Governor's 2025 direction will only have a revenue impact on tax years 2026 and later.

Exhibit A: Federal 1040 Tax Form

Form 1040	Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return	2025	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.				
For the year Jan. 1–Dec. 31, 2025, or other tax year beginning		, 2025, ending		, 20				
<input type="checkbox"/> Filed pursuant to section 301.9100-2 <input type="checkbox"/> Combat zone		<input type="checkbox"/> Deceased <i>MM / DD / YYYY</i>		<input type="checkbox"/> Spouse <i>MM / DD / YYYY</i>				
Your first name and middle initial		Last name		Your social security number				
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number				
Home address (number and street). If you have a P.O. box, see instructions.			Apt. no.	Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. <input type="checkbox"/>				
City, town, or post office. If you have a foreign address, also complete spaces below.		State	ZIP code	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse				
Foreign country name		Foreign province/state/county	Foreign postal code					
Filing Status								
Check only one box.								
<input type="checkbox"/> Single								
<input type="checkbox"/> Married filing jointly (even if only one had income)								
<input type="checkbox"/> Married filing separately (MFS). Enter spouse's SSN above and full name here: _____								
<input type="checkbox"/> Head of household (HOH)								
<input type="checkbox"/> Qualifying surviving spouse (QSS)								
If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____								
<input type="checkbox"/> If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____								
Digital Assets At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No								
Dependents (see instructions)								
	Dependent 1		Dependent 2		Dependent 3		Dependent 4	
(1) First name								
(2) Last name								
(3) SSN								
(4) Relationship								
(5) Check if filed with you more than half of 2025	<input type="checkbox"/> (a) Yes <input type="checkbox"/> (b) And in the U.S.		<input type="checkbox"/> (a) Yes <input type="checkbox"/> (b) And in the U.S.		<input type="checkbox"/> (a) Yes <input type="checkbox"/> (b) And in the U.S.		<input type="checkbox"/> (a) Yes <input type="checkbox"/> (b) And in the U.S.	
(6) Check if	<input type="checkbox"/> Full-time student	<input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student	<input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student	<input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student	<input type="checkbox"/> Permanently and totally disabled
(7) Credits	<input type="checkbox"/> Child tax credit	<input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit	<input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit	<input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit	<input type="checkbox"/> Credit for other dependents
<input type="checkbox"/> Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.								
Income								
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	1a	Total amount from Form(s) W-2, box 1 (see instructions)						
	1b	Household employee wages not reported on Form(s) W-2						
	1c	Tip income not reported on line 1a (see instructions)						
	1d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)						
	1e	Taxable dependent care benefits from Form 2441, line 26						
	1f	Employer-provided adoption benefits from Form 8839, line 31						
	1g	Wages from Form 8919, line 6						
	1h	Other earned income (see instructions). Enter type and amount: _____						
	1i	Nontaxable combat pay election (see instructions) <input type="checkbox"/> 1						
	1z	Add lines 1a through 1h						
Attach Sch. B if required.	2a	Tax-exempt interest		2a		b Taxable interest		2b
	3a	Qualified dividends		3a		b Ordinary dividends		3b
	c	Check if your child's dividends are included in: 1 <input type="checkbox"/> Line 3a 2 <input type="checkbox"/> Line 3b						
	4a	IRA distributions		4a		b Taxable amount		4b
	c	Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> QCD 3 <input type="checkbox"/>						
	5a	Pensions and annuities		5a		b Taxable amount		5b
	c	Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> PSO 3 <input type="checkbox"/>						
	6a	Social security benefits		6a		b Taxable amount		6b
	c	If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>						
	d	If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here <input type="checkbox"/>						
7a	Capital gain or (loss). Attach Schedule D if required							
b	Check if: <input type="checkbox"/> Schedule D not required <input type="checkbox"/> Includes child's capital gain or (loss)							
8	Additional income from Schedule 1, line 10							
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income							
10	Adjustments to income from Schedule 1, line 26							
11a	Adjusted gross income							

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2025) Created 8/5/25

Tax and Credits

11b Amount from line 11a (adjusted gross income) 11b

12a Someone can claim You as a dependent Your spouse as a dependent

b Spouse itemizes on a separate return c You were a dual-status alien

d You: Were born before January 2, 1961 Are blind

Spouse: Was born before January 2, 1961 Is blind

e **Standard deduction or itemized deductions (from Schedule A)** 12e

13a Qualified business income deduction from Form 990-B or Form 990-B-A 13a

b Additional deductions from Schedule A, line 3 13b

14 Add lines 12a, 13a, and 13b 14

15 15

16 Tax (see Instructions). Check if any from Form(s): 1 8814 2 4972 3 16

17 Amount from Schedule 2, line 3 17

18 Add lines 16 and 17 18

19 Child tax credit or credit for other dependents from Schedule 8812 19

20 Amount from Schedule 3, line 3 20

21 Add lines 19 and 20 21

Note: this line is for additional nonrefundable tax credits

22 Subtract line 21 from line 18. If zero or less, enter -0- 22

23 Other taxes, including self-employment tax, from Schedule 2, line 21 23

24 Add lines 22 and 23. This is your total tax 24

Standard deduction for—

- Single or Married filing separately, \$15,750
- Married filing jointly or Qualifying surviving spouse, \$31,500
- Head of household, \$23,625
- If you checked a box on line 12a, 12b, 12c, or 12d, see inst.

Payments and Refundable Credits

25 Federal income tax withheld from:

a Form(s) W-2 25a

b Form(s) 1099 25b

c Other forms (see Instructions) 25c

d Add lines 25a through 25c 25d

26 2025 estimated tax payments and amount applied from 2024 return 26

If you made estimated tax payments with your former spouse in 2025, enter their SSN (see instructions): _____

27a Earned income credit (EIC) 27a

b Clergy filing Schedule SE (see Instructions)

c If you do not want to claim the EIC, check here

28 Additional child tax credit (ACTC) from Schedule 8812. If you do not want to claim the ACTC, check here 28

29 American opportunity credit from Form 8863, line 8 29

30 Refundable adoption credit from Form 8839, line 13 30

31 Amount from Schedule 3, line 15 31

32 Add lines 27a, 28, 29, 30, and 31. These are your total other payments and refundable credits 32

33 Add lines 25d, 26, and 32. These are your total payments 33

If you have a qualifying child, you may need to attach Sch. EIC.

Refund

34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid 34

35a Amount of line 34 you want refunded to you. If Form 8888 is attached, check here 35a

b Routing number _____ c Type: Checking Savings

d Account number _____

36 Amount of line 34 you want applied to your 2026 estimated tax 36

Amount You Owe

37 Subtract line 33 from line 24. This is the amount you owe. 37

For details on how to pay, go to www.irs.gov/Payments or see Instructions.

38 Estimated tax penalty (see Instructions) 38

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions. Yes. Complete below. No

Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address		Phone no.	Firm's EIN

Table B: Supplemental Budget Fiscal Impact by Part

Parts M & O - Property Tax Modernization & Simplification ¹	FY26	FY27	Biennium	FY28	FY29	Biennium
Reduce BETR Reimbursement by 50% in FY27 and Repeal Starting in FY28	\$0	\$7,995,500	\$7,995,500	\$15,178,000	\$14,408,000	\$29,586,000
General Fund	\$0	\$7,995,500	\$7,995,500	\$15,178,000	\$14,408,000	\$29,586,000

Part K - Conformity to Federal Public Law No. 119-21 (OB3) ²	FY26	FY27	Biennium	FY28	FY29	Biennium
Individual Income Tax	\$420,000	-\$11,319,500	-\$10,899,500	-\$14,731,000	-\$13,173,000	-\$27,904,000
General Fund	\$399,000	-\$10,753,525	-\$10,354,525	-\$13,994,450	-\$12,514,350	-\$26,508,800
Local Government Fund	\$21,000	-\$565,975	-\$544,975	-\$736,550	-\$658,650	-\$1,395,200

Corporate Income Tax	-\$1,060,000	-\$12,447,000	-\$13,507,000	-\$23,837,000	-\$34,586,000	-\$58,423,000
General Fund	-\$1,007,000	-\$11,824,650	-\$12,831,650	-\$22,645,150	-\$32,856,700	-\$55,501,850
Local Government Fund	-\$53,000	-\$622,350	-\$675,350	-\$1,191,850	-\$1,729,300	-\$2,921,150

Part K - Conformity to Increased Federal Standard Deduction ³	FY26	FY27	Biennium	FY28	FY29	Biennium
Individual Income Tax	\$0	-\$29,000,000	-\$29,000,000	-\$32,300,000	-\$32,250,000	-\$64,550,000
General Fund	\$0	-\$27,550,000	-\$27,550,000	-\$30,685,000	-\$30,637,500	-\$61,322,500
Local Government Fund	\$0	-\$1,450,000	-\$1,450,000	-\$1,615,000	-\$1,612,500	-\$3,227,500

Part K - Conformity to New Charitable Deduction for Nonitemizers ⁴	FY26	FY27	Biennium	FY28	FY29	Biennium
Individual Income Tax	\$0	\$0	\$0	-\$4,850,000	-\$10,040,000	-\$14,890,000
General Fund	\$0	\$0	\$0	-\$4,607,500	-\$9,538,000	-\$14,145,500
Local Government Fund	\$0	\$0	\$0	-\$242,500	-\$502,000	-\$744,500

Part N - Pass- Through Entity Tax ⁵	FY26	FY27	Biennium	FY28	FY29	Biennium
Individual Income Tax	\$0	\$59,500,000	\$59,500,000	-\$22,500,000	\$17,400,000	-\$5,100,000
General Fund	\$0	\$56,525,000	\$56,525,000	-\$21,375,000	\$16,530,000	-\$4,845,000
Local Government Fund	\$0	\$2,975,000	\$2,975,000	-\$1,125,000	\$870,000	-\$255,000

	FY26	FY27	Biennium	FY28	FY29	Biennium
General Fund	-\$608,000	\$14,392,325	\$13,784,325	-\$78,129,100	-\$54,608,550	-\$132,737,650
Local Government Fund	-\$32,000	\$336,675	\$304,675	-\$4,910,900	-\$3,632,450	-\$8,543,350
Total	-\$640,000	\$14,729,000	\$14,089,000	-\$83,040,000	-\$58,241,000	-\$141,281,000

1. This portion of the bill includes expanding exemptions for veterans and blind persons and consolidating them under the Homestead Exemption program, which increases the rate of reimbursement to municipalities to 76% for the veterans and blind persons exemptions. Current reimbursement rates vary, ranging from 0% to 50%. The increased reimbursements related to expanded exemptions for veterans and blind persons require an estimated increase in appropriations of \$5,098,324 in FY28 and \$5,985,919 in FY29.

2. Updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986, as amended through December 31, 2025.

3. Conforms to 50% of the increased federal Standard Deduction starting in tax year 2026 and full conformity thereafter.

4. Conforms to 50% of the new deduction for charitable deductions by nonitemizers in tax year 2027 and full conformity thereafter.

5. This Part enacts a pass-through entity tax for tax years beginning on or after January 1, 2026.

Exhibit B: Veteran Exemption Qualifications Under Current Law

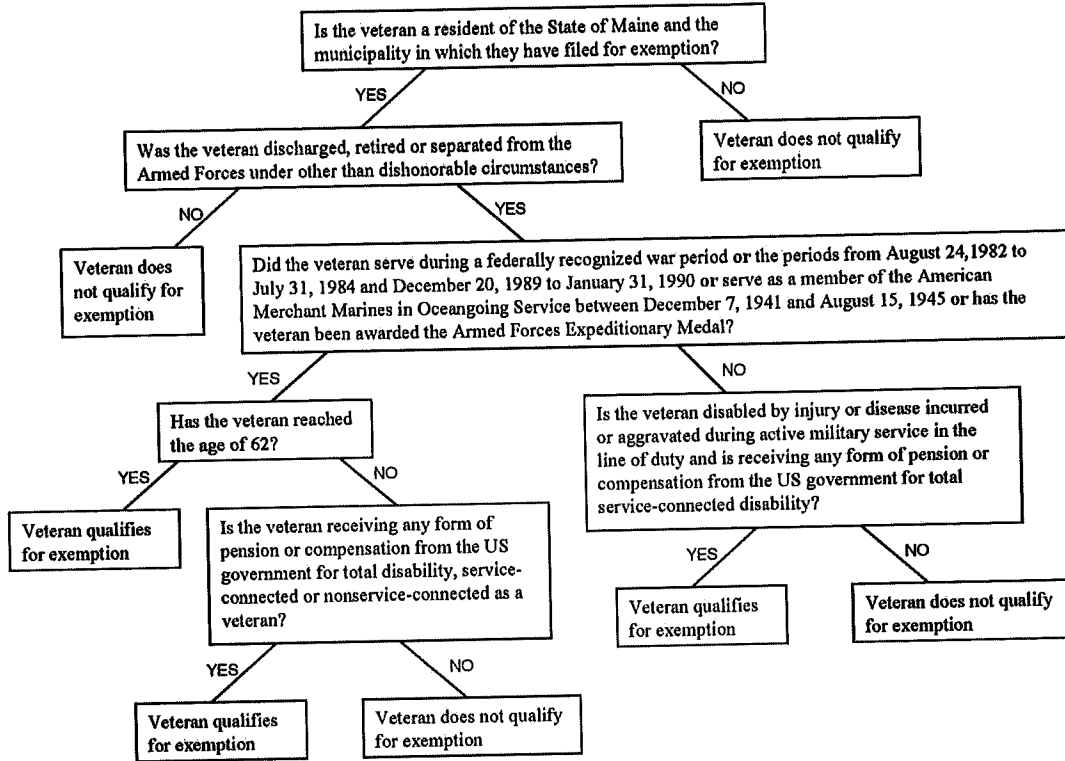
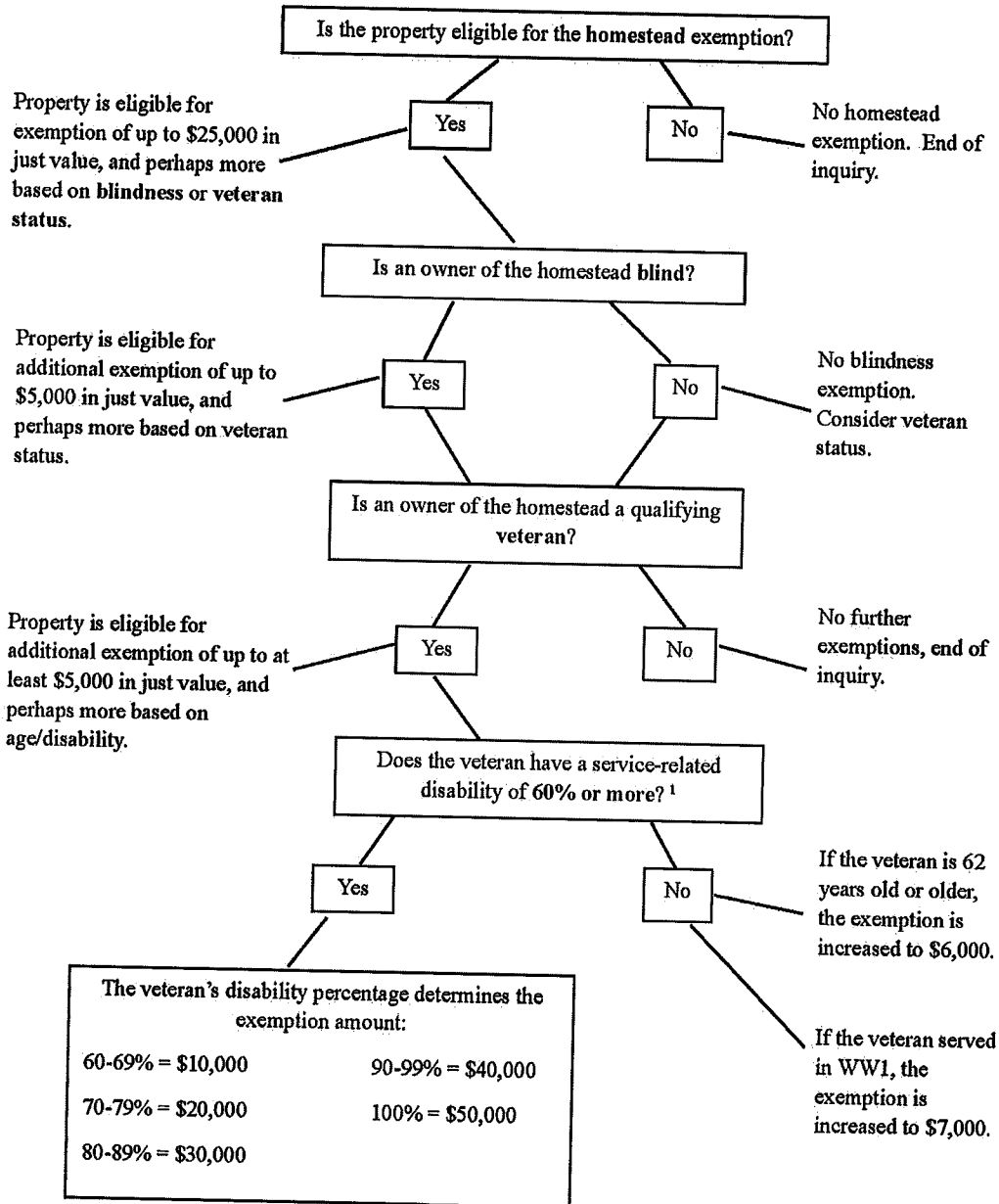


Exhibit C: Supplemental Budget's Proposed Homestead, Veterans, and Blind Persons Consolidated Exemption



1. Grants for adaptive housing are treated in a manner comparable to a 100% service-related disability rating.

Table C: R&D Phase-In Chart

Maine amortization schedule, expenses incurred 2025+		Tax Year							
Expense year	2025	2026	2027	2028	2029	2030	2031	2032	2033
2025	0.1	0.200	0.200	0.200	0.200	0.100			
2026		0.3	0.175	0.175	0.175	0.175			
2027			0.5	0.167	0.167	0.167			
2028				0.7	0.150	0.150			
2029					0.9	0.1			
2030						1			
2031									

Table D: Reclasses/Reorgs/Range Changes

Civil Service Rules require the State’s Human Resources Officer to maintain the classification plan and establish the processes and procedures with which to do so. There is a long-standing process in place to evaluate proper classification of positions and determine through a functional job analysis whether a position meets the requirements for reclassification, including any pay adjustment. The State’s collective bargaining unit agreements include negotiated language related to this process. Actions may include changing classification or keeping the same classification but changing pay range (usually referred to in blippie as range change). Requests may be employee-initiated (usually referred to as reclass) or management-initiated (usually referred to as reorganization). Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Reclass/reorg/range change initiatives in Part A of the budget are necessary to fund these approved actions, which is required before the action can be processed and paid. Reclass initiatives in Part B of the budget are self-funded.

Page	Type	Program	Fund	FY26 Amount	FY27 Amount
A-4	Reclass	0002	General Fund	\$7,550	\$7,834