

MRS Office of Tax Policy  
Presentation for March 1, 2024  
Revenue Forecast

**STATE OF MAINE**

**Undedicated Revenues - General Fund  
For the Seventh Month Ended January 31, 2024  
For the Fiscal Year Ending June 30, 2024  
Comparison to Budget**

**Exhibit I**

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2024
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 196,040,115	\$ 195,895,686	\$ 144,429	0.1 %	\$ 1,426,618,835	\$ 1,423,884,393	\$ 2,734,442	0.2 %	\$ 2,247,423,850
Service Provider Tax	3,909,677	4,166,707	(257,030)	(6.2)%	29,809,066	29,860,757	(51,691)	(0.2)%	49,110,044
Individual Income Tax	298,391,845	308,760,584	(10,368,739)	(3.4)%	1,512,058,270	1,503,536,284	8,521,986	0.6 %	2,436,073,715
Corporate Income Tax	33,234,795	15,500,000	17,734,795	114.4 %	240,611,886	208,359,430	32,252,456	15.5 %	375,623,000
Cigarette and Tobacco Tax	12,220,535	11,149,051	1,071,484	9.6 %	90,939,655	92,565,605	(1,625,950)	(1.8)%	153,246,622
Insurance Companies Tax	746,664	38,693	707,971	1,829.7 %	17,490,029	17,528,328	(38,299)	(0.2)%	118,460,000
Estate Tax	2,267,200	2,750,000	(482,800)	(17.6)%	7,380,981	9,044,171	(1,663,190)	(18.4)%	23,600,000
Fines, Forfeits & Penalties	821,453	1,121,537	(300,084)	(26.8)%	5,128,214	8,822,105	(3,693,891)	(41.9)%	14,954,289
Income from Investments	5,429,760	4,395,107	1,034,653	23.5 %	29,865,888	30,652,089	(786,201)	(2.6)%	49,891,282
Transfer from Lottery Commission	13,908,262	5,132,075	8,776,187	171.0 %	53,752,239	39,773,585	13,978,654	35.1 %	68,000,000
Transfer from Liquor Commission	-	-	-	- %	7,000,000	7,000,000	-	- %	7,000,000
Transfers for Tax Relief Programs	(3,822,788)	(10,357,254)	6,534,466	63.1 %	(74,277,765)	(75,334,915)	1,057,150	1.4 %	(81,730,000)
Transfer to Municipal Revenue Sharing	(23,187,193)	(21,958,862)	(1,228,331)	(5.6)%	(159,785,497)	(158,557,165)	(1,228,332)	(0.8)%	(261,429,468)
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(107,534,228)	(101,861,600)	(5,672,628)	(5.6)%	(101,861,600)
Other Taxes and Fees	13,022,154	10,105,006	2,917,148	28.9 %	86,929,653	85,370,206	1,559,447	1.8 %	144,682,337
Other Revenues	(467,168)	3,060,499	(3,527,667)	(115.3)%	(22,406,306)	(25,056,665)	2,650,359	10.6 %	6,371,127
<b>Total Collected</b>	<b>\$ 552,515,308</b>	<b>\$ 529,758,829</b>	<b>\$ 22,756,479</b>	<b>4.3 %</b>	<b>\$ 3,143,580,920</b>	<b>\$ 3,095,586,608</b>	<b>\$ 47,994,312</b>	<b>1.6 %</b>	<b>\$ 5,249,415,198</b>

**NOTES:**

- (1) Included in the above is \$23,187,193 for the month and \$159,785,497 year to date, that was set aside for Revenue Sharing with cities and towns.
- (2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in December 2023, laws enacted through the 131st Legislature, 1st Regular Session and 1st Special Session for all laws and any emergency laws.
- (3) This report has been prepared from preliminary month end figures and is subject to change.

**STATE OF MAINE**

**Undedicated Revenues - General Fund**

For the Seventh Month Ended January 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2024 and 2023

Comparison to To Prior Year

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
	Sales and Use Tax	\$ 196,040,115	\$ 191,322,494	\$ 4,717,621	2.5 %	\$ 1,426,618,835	\$ 1,376,538,890	\$ 50,079,945
Service Provider Tax	3,909,677	4,315,644	(405,967)	(9.4)%	29,809,066	30,418,859	(609,793)	(2.0)%
Individual Income Tax	298,391,845	297,548,640	843,204	0.3 %	1,512,058,270	1,480,241,071	31,817,199	2.1 %
Corporate Income Tax	33,234,795	12,650,775	20,584,021	162.7 %	240,611,886	206,108,204	34,503,682	16.7 %
Cigarette and Tobacco Tax	12,220,535	10,548,148	1,672,386	15.9 %	90,939,655	90,553,231	386,424	0.4 %
Insurance Companies Tax	746,664	180,468	566,196	313.7 %	17,490,029	17,209,851	280,178	1.6 %
Estate Tax	2,267,200	361,052	1,906,148	527.9 %	7,380,981	22,332,899	(14,951,918)	(67.0)%
Fines, Forfeits & Penalties	821,453	848,985	(27,533)	(3.2)%	5,128,214	5,252,783	(124,569)	(2.4)%
Income from Investments	5,429,760	3,105,934	2,323,825	74.8 %	29,865,888	12,991,543	16,874,346	129.9 %
Transfer from Lottery Commission	13,908,262	6,858,726	7,049,536	102.8 %	53,752,239	45,231,331	8,520,907	18.8 %
Transfer from Liquor Commission	-	-	-	- %	7,000,000	-	7,000,000	- %
Transfers for Tax Relief Programs	(3,822,788)	(10,219,681)	6,396,893	62.6 %	(74,277,765)	(74,759,374)	481,610	0.6 %
Transfer to Municipal Revenue Sharing	(23,187,193)	(21,978,006)	(1,209,187)	(5.5)%	(159,785,497)	(157,218,826)	(2,566,671)	(1.6)%
Auto Sales Tax Transfer to Highway Fund	-	-	-	- %	(107,534,228)	-	(107,534,228)	- %
Other Taxes and Fees	13,022,154	8,434,759	4,587,395	54.4 %	86,929,653	79,553,654	7,375,999	9.3 %
Other Revenues	(467,168)	3,036,370	(3,503,538)	(115.4)%	(22,406,306)	(14,863,885)	(7,542,421)	(50.7)%
<b>Total Collected</b>	<b>\$ 552,515,308</b>	<b>\$ 507,014,308</b>	<b>\$ 45,501,001</b>	<b>9.0 %</b>	<b>\$ 3,143,580,920</b>	<b>\$ 3,119,590,230</b>	<b>\$ 23,990,689</b>	<b>0.8 %</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

**STATE OF MAINE**

**Undedicated Revenues - Highway Fund  
For the Seventh Month Ended January 31, 2024  
For the Fiscal Year Ending June 30, 2024  
Comparison to Budget**

**Exhibit V**

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2024
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Fuel Taxes	\$ 17,771,503	\$ 17,480,147	\$ 291,356	1.7 %	\$ 131,772,750	\$ 130,681,582	\$ 1,091,168	0.8 %	\$ 213,493,961
Motor Vehicle Registration & Fees	10,385,923	7,164,603	3,221,320	45.0 %	58,476,676	52,752,379	5,724,297	10.9 %	94,737,106
Motor Vehicle Inspection Fees	410,782	4,248	406,534	9,570.0 %	1,155,255	1,395,538	(240,283)	(17.2)%	1,413,369
Miscellaneous Taxes & Fees	94,235	392,879	(298,645)	(76.0)%	618,324	1,100,642	(482,318)	(43.8)%	3,269,305
Fines, Forfeits & Penalties	61,216	63,901	(2,685)	(4.2)%	548,181	399,651	148,530	37.2 %	1,711,479
Earnings on Investments	198,477	(108)	198,585	183,875.0 %	1,071,487	880,119	191,368	21.7 %	879,575
Auto Sales Tax Transfer	-	-	-	- %	107,534,228	107,534,228	0	- %	107,534,228
Transfer from Liquor Commission	8,037,671	5,000,000	3,037,671	60.8 %	36,658,244	28,000,000	8,658,244	30.9 %	53,000,000
All Other	1,489,499	505,644	983,855	194.6 %	10,949,728	10,868,584	81,144	0.7 %	13,756,495
<b>Total Collected</b>	<b>\$ 38,449,306</b>	<b>\$ 30,611,314</b>	<b>\$ 7,837,992</b>	<b>25.6 %</b>	<b>\$ 348,784,874</b>	<b>\$ 333,612,723</b>	<b>\$ 15,172,151</b>	<b>4.5 %</b>	<b>\$ 489,795,518</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

## STATE OF MAINE

## Undedicated Revenues - Highway Fund

For the Seventh Month Ended January 31, 2024 and 2023

For the Fiscal Year Ending June 30, 2024 and 2023

Comparison to To Prior Year

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
Fuel Taxes	\$ 17,771,503	\$ 18,253,925	\$ (482,422)	(2.6)%	\$ 131,772,750	\$ 136,218,830	\$ (4,446,080)	(3.3)%
Motor Vehicle Registration & Fees	10,385,923	8,022,473	2,363,451	29.5 %	58,476,676	59,093,157	(616,481)	(1.0)%
Motor Vehicle Inspection Fees	410,782	350,169	60,613	17.3 %	1,155,255	1,180,156	(24,900)	(2.1)%
Miscellaneous Taxes & Fees	94,235	100,750	(6,515)	(6.5)%	618,324	919,492	(301,168)	(32.8)%
Fines, Forfeits & Penalties	61,216	65,135	(3,919)	(6.0)%	548,181	680,196	(132,015)	(19.4)%
Earnings on Investments	198,477	38,609	159,868	414.1 %	1,071,487	240,075	831,412	346.3 %
Auto Sales Tax Transfer	-	-	-	- %	107,534,228	-	107,534,228	- %
Transfer from Liquor Commission	8,037,671	-	8,037,671	- %	36,658,244	-	36,658,244	- %
All Other	1,489,499	539,203	950,296	176.2 %	10,949,728	10,436,165	513,563	4.9 %
<b>Total Collected</b>	<b>\$ 38,449,306</b>	<b>\$ 27,370,263</b>	<b>\$ 11,079,043</b>	<b>40.5 %</b>	<b>\$ 348,784,874</b>	<b>\$ 208,768,071</b>	<b>\$ 140,016,804</b>	<b>67.1 %</b>

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

# Sales & Use Tax and Service Provider Tax

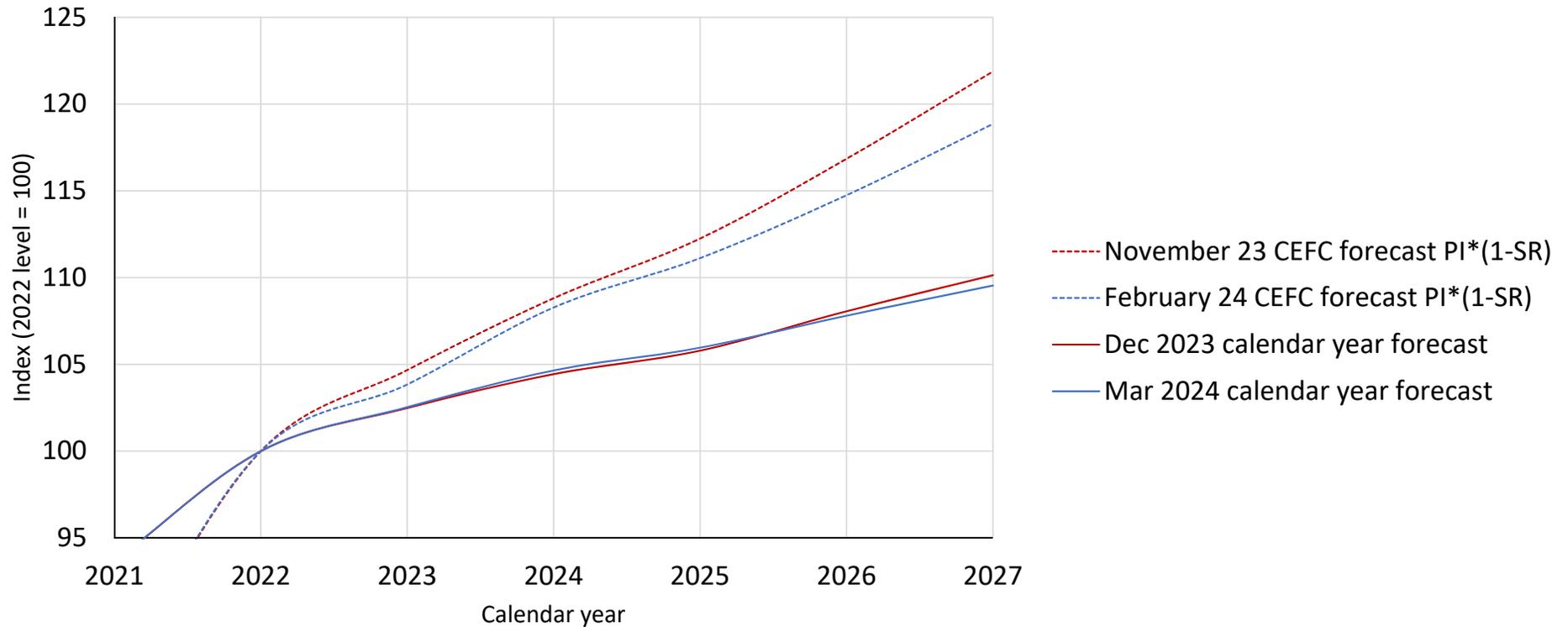
# Sales and Use Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$1,503.77	5.64%		
2020	\$1,555.71	3.45%		
2021	\$1,804.23	15.83%		
2022	\$2,078.88	14.72%		
2023	\$2,173.05	4.22%		
2024	\$2,252.16	3.46%	\$4.74	0.21%
2025	\$2,286.01	1.30%	\$5.75	0.25%
2026	\$2,322.43	1.41%	\$1.91	0.08%
2027	\$2,364.50	1.65%	-\$8.71	-0.37%

- FY24 revenue through January is \$2.73 million over budget
- Slower growth brings the forecast down in FY27

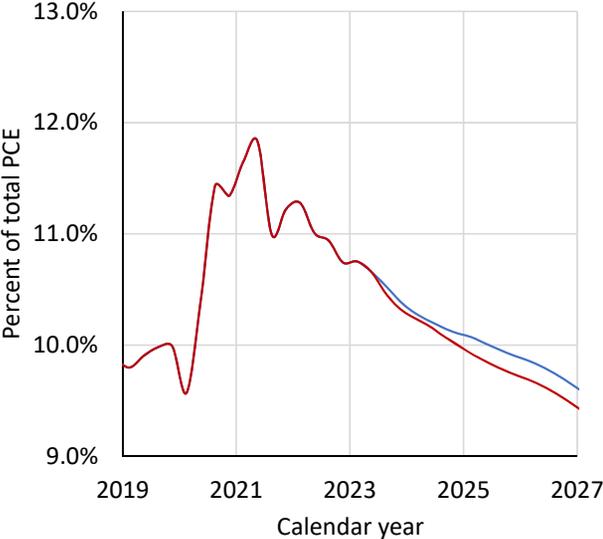
# Forecast of Revenue and Consumer Spending



- New CEFC forecast features lower consumer spending throughout the forecast period
- Proposed revenue forecast features minor adjustments

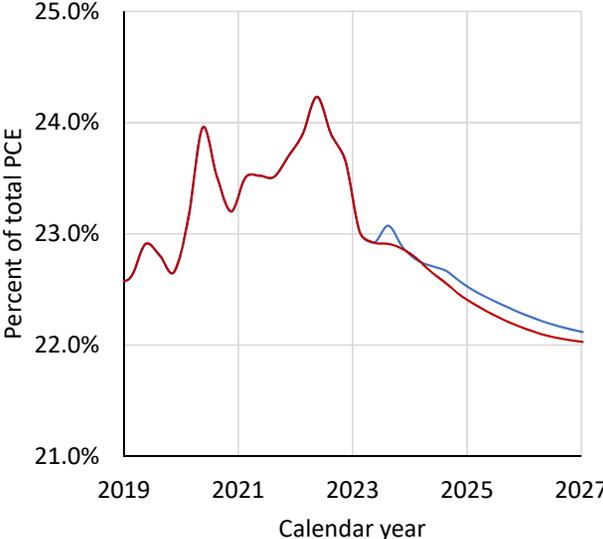
# PCE Composition – Moody’s baseline forecast

Durable goods



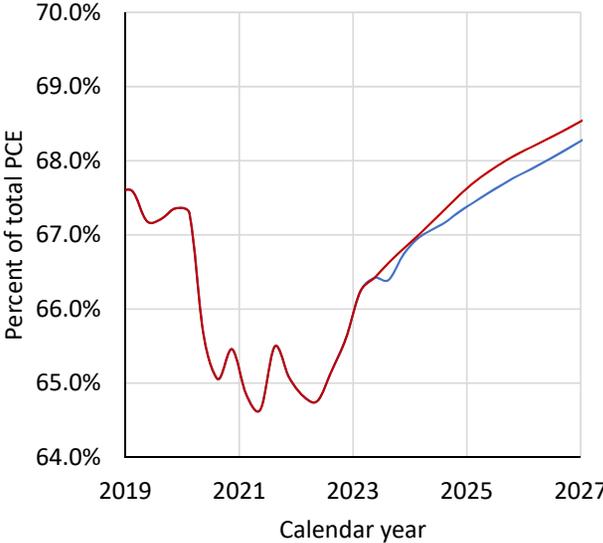
— January 2024 forecast  
— October 2023 forecast

Nondurable goods



— January 2024 forecast  
— October 2023 forecast

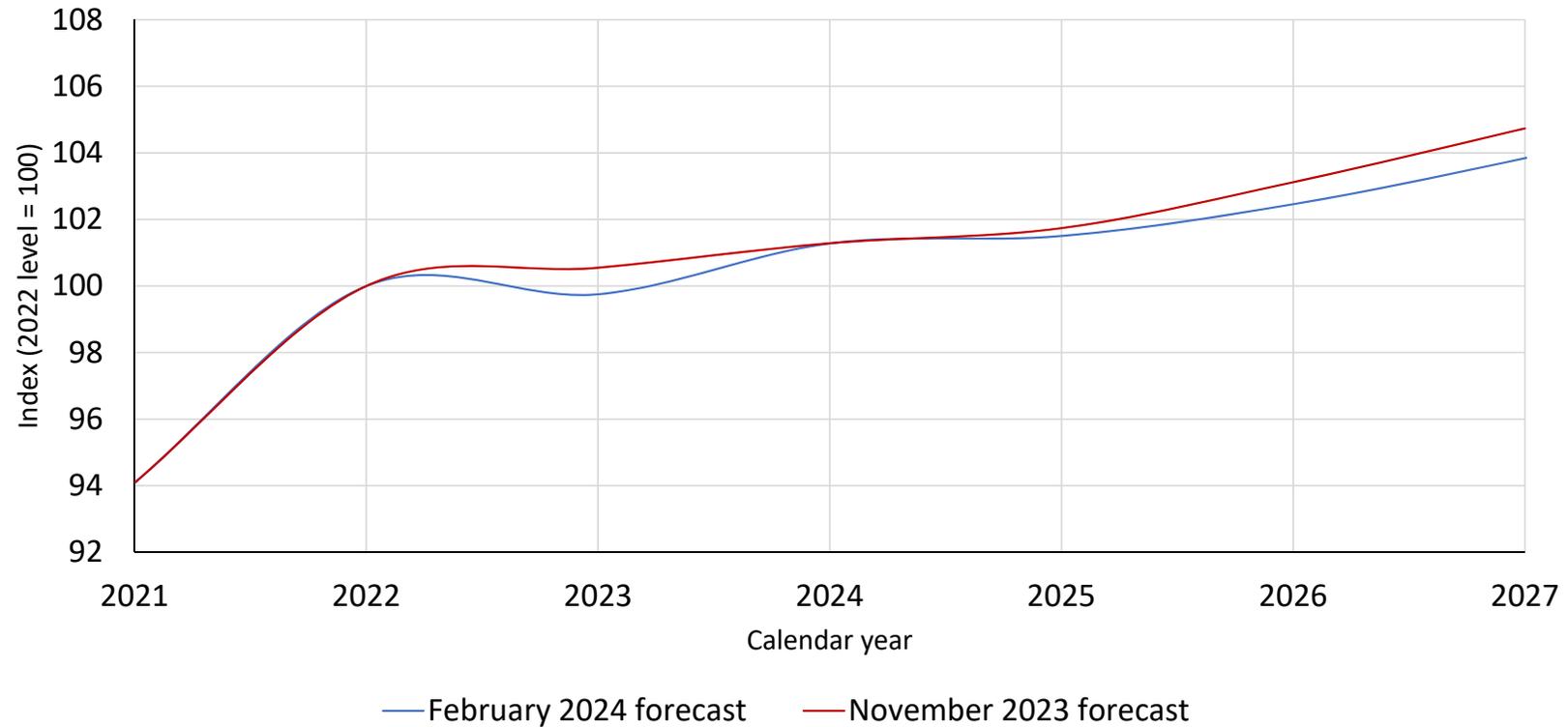
Services



— January 2024 forecast  
— October 2023 forecast

- New PCE forecast features a slower shift from goods to services

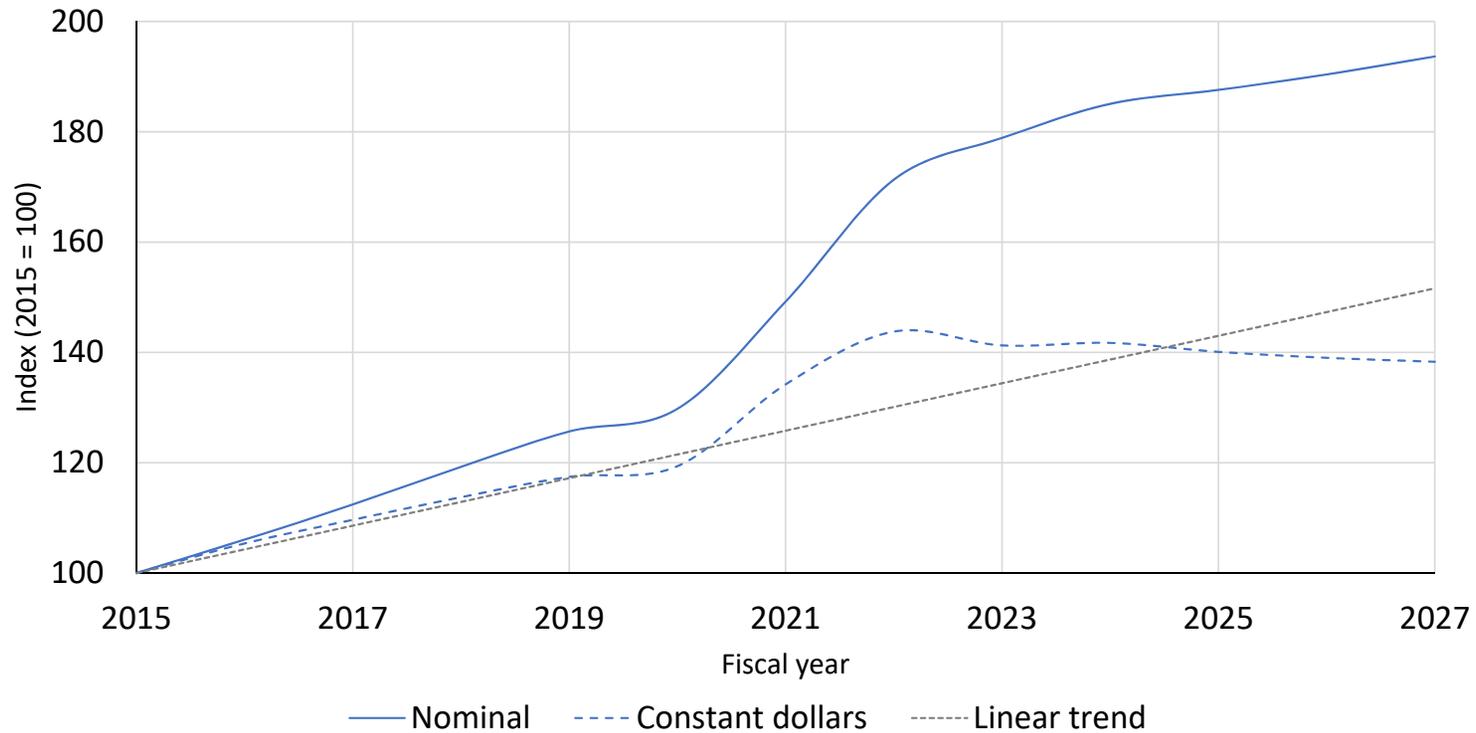
# CEFC forecast—Real consumer spending by calendar year



- Lower inflation in the new CEFC forecast implies smaller reductions in real spending

# Sales & Use Tax Revenue by Fiscal Year

Actual and March 2024 forecast recommendations (2015=100)



- 7.5% average annual growth in nominal revenue FY 2015 – 2023
- 2.0% average annual growth in nominal revenue FY 2023 – 2027
- 2.6% average inflation in FY2023 – 2027

# Source of Forecast Adjustments

\$million  
(%)

Fiscal Year	2024	2025	2026	2027
<b>Non-auto 5.5% Sales</b>	\$5.0 (0.4%)	\$3.7 (0.3%)	\$2.7 (0.2%)	-\$2.0 (-0.1%)
<b>Auto Sales 5.5%</b>	-\$0.2 (-0.1%)	\$1.9 (0.6%)	\$3.1 (1.0%)	\$1.6 (0.5%)
<b>Lodging 9%</b>	\$0.7 (0.4%)	\$0.3 (0.2%)	-\$1.4 (-0.8%)	-\$3.3 (-1.8%)
<b>Prepared Food 8%</b>	\$0.5 (0.1%)	\$1.5 (0.4%)	-\$0.8 (-0.2%)	-\$3.4 (-0.9%)
<b>Short-term auto rental 10%</b>	\$0.2 (1.0%)	\$0.3 (1.9%)	\$0.3 (1.6%)	\$0.2 (1.2%)
<b>Adult use cannabis 10%</b>	-\$1.4 (-5.8%)	-\$2.1 (-7.0%)	-\$2.0 (-5.9%)	-\$1.8 (-4.6%)

# Service Provider Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$59.01	-0.99%		
2020	\$58.01	-1.70%		
2021	\$51.35	-11.48%		
2022	\$51.56	0.41%		
2023	\$51.46	-0.19%		
2024	\$49.23	-4.33%	\$0.12	0.25%
2025	\$46.77	-5.01%	-\$0.62	-1.31%
2026	\$45.26	-3.23%	-\$0.69	-1.50%
2027	\$43.77	-3.27%	-\$0.74	-1.67%

- FY24 revenue through January is \$51,691 under budget, but is projected to finish the fiscal year up \$123,989
- After FY25, faster projected decline leads to negative revisions

# Individual Income Tax

# Individual Income Tax History and Forecast

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$1,701.0	6.6%		
2020	\$1,836.0	7.9%		
2021	\$2,069.7	12.7%		
2022	\$2,580.7	24.7%		
2023	\$2,473.5	-4.2%		
2024	\$2,442.1	-1.3%	\$6.0	0.2%
2025	\$2,454.5	0.5%	-\$22.0	-0.9%
2026	\$2,547.5	3.8%	-\$27.0	-1.0%
2027	\$2,687.3	5.5%	-\$33.0	-1.2%

# Individual Income Tax Main Points

- Income forecast revisions go in both directions and largely offset, especially in the short run
  - The wage forecast reduces the annual tax liability forecast by approximately \$35 million in tax years 2023 – 2025 and slightly more afterwards.
  - The upward revision to the capital gains forecast is largest in tax year 2023 and declines over the forecast period.
  - The upward revision to the business income forecast, motivated by the CEFC nonfarm proprietors' income forecast, applies throughout the forecast period.
  - 2023 tax liability growth is about 1 percentage point higher than the prior forecast; tax year 2024 – 2026 growth rates are within .5 percentage points of prior forecast.
- However, we likely overestimated tax year 2022 tax liability in the last forecast and this correction results in downward revisions to future tax years.
- Withholding growth has been slowing: December – January is up 3% YoY and February YoY growth will likely be lower.

# New CEFC Forecast: Key Changes

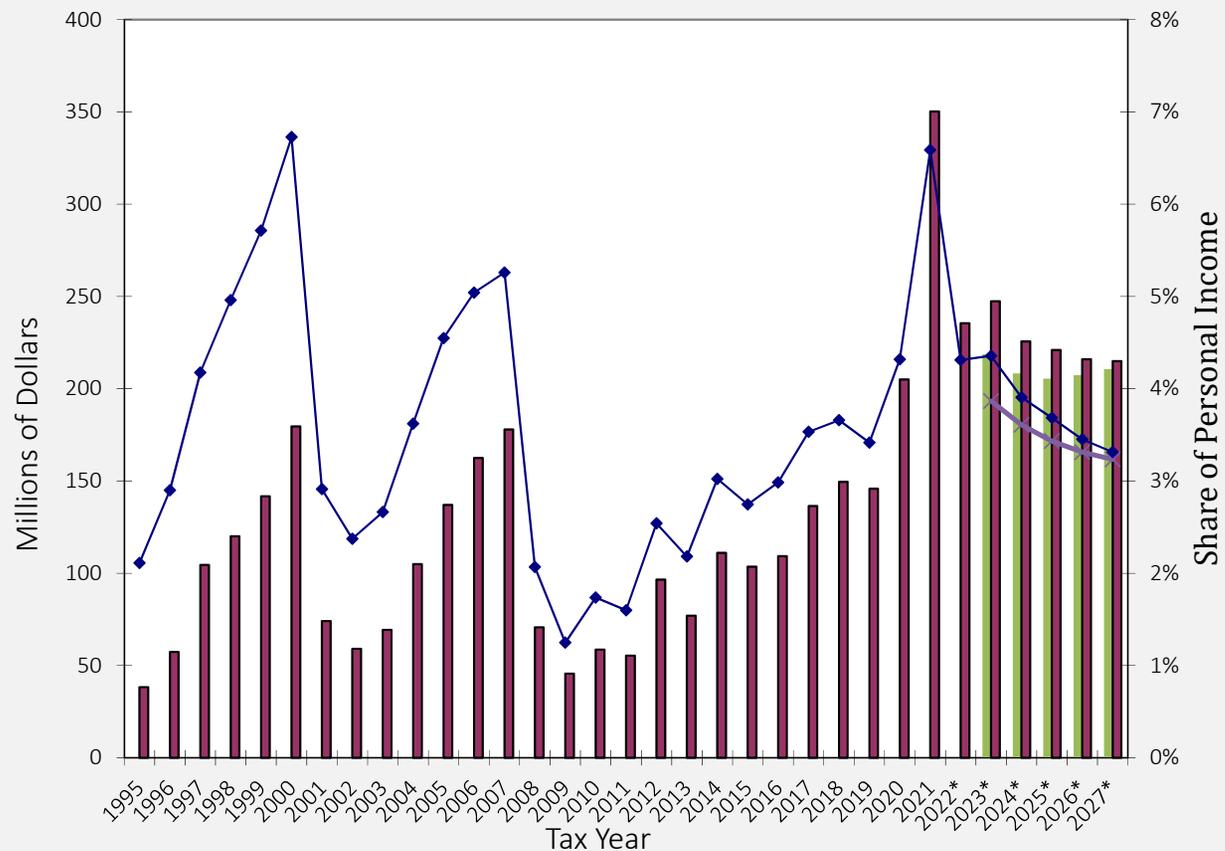
Calendar Years	2023	2024	2025	2026	2027
Wage and Salary Income (Annual Percentage Change)					
CEFC Forecast 11/2023	7.5%	5.0%	4.0%	4.3%	4.3%
CEFC Forecast 2/2024	6.1%	5.0%	4.0%	4.0%	4.0%
Nonfarm Proprietors' Income (Annual Percentage Change)					
CEFC Forecast 11/2023	3.8%	3.0%	3.0%	3.0%	4.0%
CEFC Forecast 2/2024	6.6%	5.0%	3.0%	3.0%	3.0%
CPI (Annual Percentage Change)					
CEFC Forecast 11/2023	4.1%	3.2%	2.7%	2.7%	2.7%
CEFC Forecast 2/2024	4.1%	2.7%	2.4%	2.3%	2.2%

# Full-year Resident Tax Liability: Impact of New Income and Cost of Living Adjustment Forecasts (\$million)

Tax Year	Wages	Capital Gains	Business Income	COLAs
2023	-\$32.7	\$28.7	\$10.6	\$0.0
2024	-\$34.5	\$17.4	\$19.3	\$0.0
2025	-\$35.9	\$15.5	\$20.1	\$2.2
2026	-\$46.0	\$8.6	\$21.0	\$8.9
2027	-\$56.7	\$4.3	\$17.4	\$10.7

- 1) Each column equals the new forecast of tax liability minus forecasted liability under all new assumptions except the COLA or wages.
- 2) The COLA forecast is based on the calendar year CPI forecast from the CEFC plus assumptions concerning quarterly inflation and the relationship between chained and regular CPI growth.

## Taxes from Net Capital Gains and Net Capital Gains as Percent of Personal Income

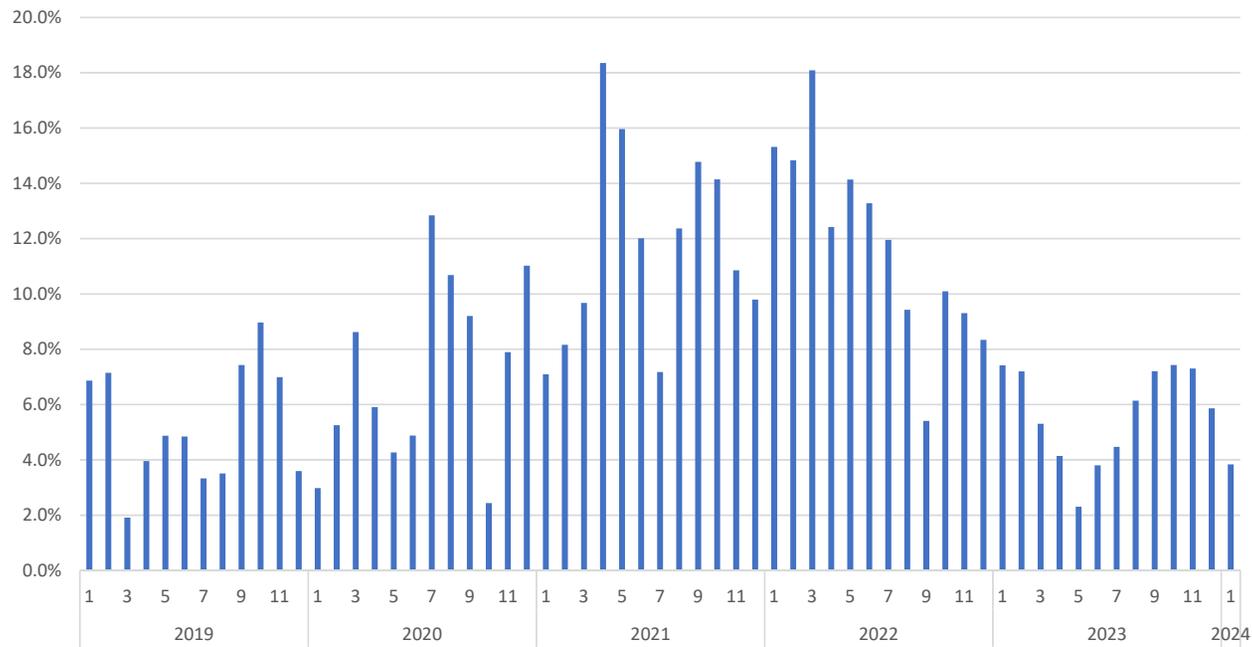


■ CG Liability Dec. 23 Forecast   
 ■ CG Liability Current Forecast   
 —x— CG % of PI Dec. 23 Forecast   
 —◆— CG % of PI current forecast

# Individual Income Revenue

- 2022 individual income tax liability is lower than expected based on revenues.
- In the prior forecast we assumed that excess missing/suspended explained a large share of the discrepancy between revenue and 2022 tax liability and that an unusually large amount of 2022 tax liability would post after November 2023.
- In the current forecast we recognize the importance of two additional factors:
  - Timing of some tax year 2021 and 2022 revenues differed from prior years
  - Some TY 2021 payments with extension received in calendar year 2022 were classified as estimated payments.
- 2022 tax liability in the new forecast is approximately 2% lower than the prior forecast.

# Withholding YoY Growth, Three-Month Moving Average



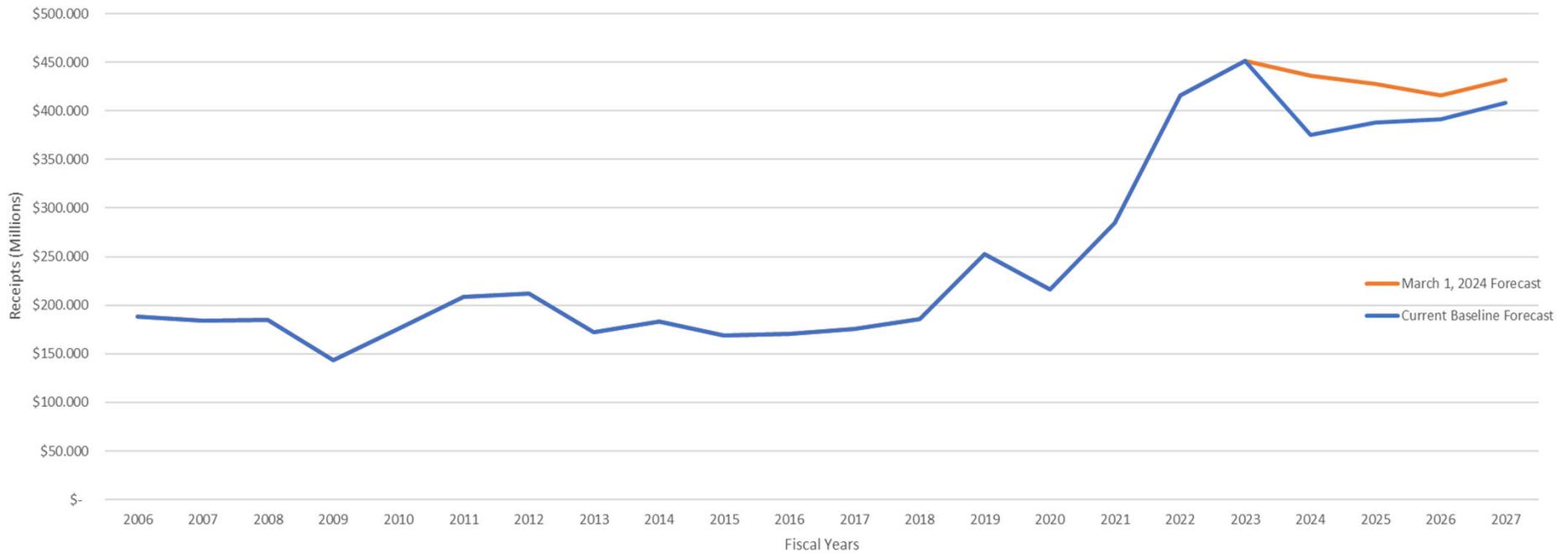
The figure excludes approximately \$50 million of one-time withholding revenue received in the first half of CY 2023.

# Payment Deadline Change

- The April final and estimated payment deadline has been extended to June 17<sup>th</sup> for taxpayers located in 10 counties that are designated disaster areas.
  - We assume that the deadline extension causes a within fiscal year shift in state revenue but there is a risk that some payments or refunds will shift from FY 2024 to FY 2025.
  - Creates uncertainty in monthly distribution of non-withheld revenues.

# Corporate Income Tax

Corporate Income Tax Receipts by Fiscal Year



- Assumed increase in TY22 liability of 34%, recognition of impact of conformity to federal amortization of R&D expenses, and more optimistic corporate pre-tax profits forecast over the forecast period.
- Both forecasts include impact of DIRIGO business incentive enacted in biennial budget and other previously enacted business incentives that will first be claimed starting in tax year 2023 (e.g., LIHC).
- FY24 includes unusually large corporate audits received through February.

# Other Taxes and Wrap Up

# Estate Tax

Actual				December 1, 2023 Forecast				March 1, 2024 Forecast				
Calendar Year	Exemption Amount	Liability /1 /2	Fiscal Year Receipts /3	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Exemption Amount	Forecasted Increase in HH Net Worth	Forecasted Liability	Forecasted Fiscal Year Receipts	Difference
2018	\$ 5,600,000	\$ 22,055,650	\$ 13,801,409									
2019	\$ 5,700,000	\$ 14,143,679	\$ 15,851,350									
2020	\$ 5,800,000	\$ 44,293,194	\$ 21,079,344									
2021	\$ 5,870,000	\$ 63,069,955	\$ 40,399,594									
2022	\$ 6,010,000	\$ 9,995,000	\$ 34,183,165		-3.0%	\$28,552,259			-4.5%	\$26,428,613		
2023	\$ 6,410,000	\$ 313,000	\$ 30,117,577		6.2%	\$30,360,543			5.0%	\$27,494,830		
2024	\$ 6,800,000		\$ 7,380,981	\$ 6,800,000	1.8%	\$29,936,459	\$23,600,000	\$6,800,000	2.5%	\$27,419,284	\$18,840,000	<b>\$(4,760,000)</b>
2025				\$ 7,020,000	2.0%	\$30,276,431	\$30,050,000	\$7,020,000	2.2%	\$27,817,527	\$27,440,000	<b>\$(2,610,000)</b>
2026				\$ 7,210,000	3.1%	\$31,383,454	\$30,200,000	\$7,210,000	2.9%	\$28,728,750	\$27,720,000	<b>\$(2,480,000)</b>
2027				\$ 7,400,000	3.5%		\$30,275,000	\$7,400,000	3.3%		\$27,820,000	<b>\$(2,455,000)</b>
1/ Subject to change because of amended returns												
2/ Through February 5, 2024												
3/ Includes actual receipts through January 31, 2024												

- Weaker growth in Household Net Worth in CY22 & CY23, revenue performance through February, and a slightly lower exemption amount in CY25-27 because of the lower inflation forecast account for the decrease in the revenue forecast after FY24.

# Cigarette, Tobacco, and Cannabis Excise Taxes

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$126.0	-5.2%		
2020	\$137.3	9.0%		
2021	\$147.2	7.2%		
2022	\$148.5	0.9%		
2023	\$149.9	0.9%		
2024	\$152.8	1.9%	-\$0.57	-0.4%
2025	\$155.6	1.9%	\$2.35	1.5%
2026	\$157.1	0.9%	\$1.87	1.2%
2027	\$158.4	0.9%	\$1.26	0.8%

# Source of Forecast Adjustments

\$million  
(%)

	2024	2025	2026	2027
<b>Adult use cannabis excise tax</b>	\$1.60 10.85%	\$2.43 14.03%	\$2.70 13.83%	\$2.84 13.10%
<b>Cigarette tax</b>	-\$2.52 (-2.33%)	\$0.05 (0.05%)	-\$0.54 (-0.53%)	-\$1.11 (-1.10%)
<b>Tobacco products tax</b>	\$0.35 (1.15%)	-\$0.13 (-0.40%)	-\$0.29 (-0.85%)	-\$0.47 (-1.33%)

- Increase in cannabis excise tax forecast in each year
- Slightly faster long-run decline in cigarette tax relative to December forecast
- Slightly slower but more steady growth in tobacco products tax

# Gas Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$205.9	-0.2%		
2020	\$194.2	-5.7%		
2021	\$183.4	-5.6%		
2022	\$195.5	6.6%		
2023	\$196.0	0.2%		
2024	\$195.3	-0.4%	\$1.80	0.9%
2025	\$192.3	-1.6%	\$1.34	0.7%
2026	\$190.9	-0.7%	\$1.92	1.0%
2027	\$189.5	-0.7%	\$2.58	1.4%

- Still forecasting a decline as average fuel economy increases, but a slower decline than the December forecast.

# Special Fuel Tax

\$million

Fiscal Year	Actual and Recommended Forecast	Annual Growth	Revision to current forecast (\$)	Revision to current forecast (%)
2019	\$49.6	14.9%		
2020	\$47.4	-4.4%		
2021	\$47.9	0.9%		
2022	\$50.2	4.9%		
2023	\$49.3	-1.7%		
2024	\$47.9	-2.9%	-\$1.32	-2.7%
2025	\$49.5	3.5%	-\$0.23	-0.5%
2026	\$49.9	0.7%	-\$0.14	-0.3%
2027	\$50.1	0.5%	-\$0.17	-0.3%

- 2023Q4 finished under budget & trucking industry reports predict low activity through 2024Q2, causing \$1.3M downward revision in FY2024.
- Minor negative revisions in the remaining years.

## Minor recommended adjustments to

- Real estate tax transfer tax
- Business equipment tax reimbursement (BETR)

## Revenue from Sales, Service Provider, Individual Income, and Corporate Income Tax Relative to Fiscal Year 2019

Fiscal Year	Total Revenue	Annual Growth		Relative to FY 2019		
		Nominal	Real	Cumulative Nominal Growth	Cumulative Real Growth	Average Annual Real Growth
2019	\$3,516.7					
2020	\$3,659.2	4.1%	2.5%	4.1%	2.5%	2.5%
2021	\$4,209.8	15.0%	12.5%	19.7%	15.2%	7.3%
2022	\$5,126.9	21.8%	13.6%	45.8%	30.9%	9.4%
2023	\$5,149.2	0.4%	-5.5%	46.4%	23.7%	5.5%
2024	\$5,179.7	0.6%	-2.5%	47.3%	20.7%	3.8%
2025	\$5,215.3	0.7%	-1.8%	48.3%	18.5%	2.9%
2026	\$5,331.1	2.2%	-0.1%	51.6%	18.5%	2.4%
2027	\$5,527.5	3.7%	1.4%	57.2%	20.1%	2.3%

# Sales + SPT + IIT + CIT Revenue

- Real revenue is at least 18.5% above FY 2019 revenue and real average annual growth relative to FY 2019 is above 2% in all forecast years
- Slow annual growth forecast largely attributable to two factors
  - Individual income tax cuts: Tax Year 2019 → Tax Year 2024
    - Refundable credits
      - PTFC: \$27 million → \$107 million
      - EITC: \$9.5 million → \$50 million
      - SLRTC/EOTC: \$30 million → \$86 million
      - Refundable dependent credit in excess of tax liability: \$0 → \$20 million
    - Pension deduction: \$32 million revenue loss → \$126 million revenue loss
  - Transitory factors that contributed to strong revenue performance and return to normal
    - Sales tax: goods share of total consumption declines over forecast
    - Capital gains: FY Resident Liability estimated \$146 million (2019), \$350 million (2021), \$226 million (2024)
    - Income tax inflation adjustments: In tax years 2021 and 2022 inflation exceeded COLA growth; the reverse is true in tax years 2023 and 2024 (COLAs lag inflation)

	CPI CY	ME COLA for TY
2021	4.7%	1.1%
2022	8.0%	2.4%
2023	4.1%	6.6%
2024	2.7%	6.2%