

PROVISIONS IN THE SUPPLEMENTAL BUDGET

2-21-22

jsj/OFPR

TAXATION COMMITTEE

Reference number		Background	Budget proposal See budget materials	Change package(Should there be such a thing)	Recommendation
PART A					
DAFS					
1	Covid Pandemic Relief Payment Program p. A-5	Provides funding for \$510 disaster relief payments to eligible Maine citizens			
	Initiative		OSRF \$411,000,000 FY 22		
2	Bureau of Revenue Services p. A-8	Establishes one Revenue Agent necessary to comply with PL 2019, c.441 (Sales and use tax collection from marketplace facilitators)			
	Initiative		GF \$99,276 FY 23		
3	Bureau of Revenue Services p. A-8	Establishes 3 Tax Examiner positions and contracted temp support associated with new simplified student loan repayment credit)			
	Initiative		GF \$341,410 FY 23		

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4	Unorganized Territory Education and Services Fund – Finance p. 9	Provides appropriations to cover cost of certain municipal services reimbursed to the counties for services provided in the unorganized territory Costs are covered by the municipal cost component that establishes property tax collection for municipal services in the UT			
	Initiative	None	OSRF \$5,500,000 FY 23		
FINANCE AUTHORITY OF MAINE					
5	Educational Opportunity Tax Credit Marketing Fund p. A-72	Provides funds to FAME to market program (EdOp credit) throughout the State			
	Initiative		GF \$26,500 FY 23		
STATE HOUSING AUTHORITY		Provides additional allocations to HOME Fund to reflect increased revenue projection per December 2021 report of Revenue Forecasting Committee			
	HOME Fund p. A-114				
6	Initiative		OSR Funds \$9,759,154 FY 22 \$10,281,551 FY 23		FYI ONLY

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STATE BOARD OF PROPERTY TAX REVIEW					
7	State Board of Property Tax Review p. A-147	Establishes a limited period Director position and a limited period office specialist to support the board through 6/30/25.			
	Initiative		GF \$233,916 FY 23		
STATE TREASURER					
8	Disproportionate Tax Burden Fund p. A-155	Allocates funds for revenue sharing to municipalities with property tax rates exceeding 10 mills (RevSh 2) Brings allocations in line with projected available resources			
	Initiative		\$474,977 FY 22 (\$245,876) FY 23		

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9	State-Municipal Revenue Services)	Allocates funds for revenue sharing to all municipalities (RevSh 1) Brings allocations in line with projected available resources			
	Initiative		\$22,646,306 FY 22 \$17,707,152 FY 23		

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LANGUAGE PARTS					
Page numbers refer to page numbers in Language portion of budget materials	Current law	Budget proposal	MRS estimated fiscal impact	Change package	Recommendation
PART E EARNED INCOME TAX CREDIT pp. 12-14	Increases the earned income tax credit for tax years beginning on or after January 1,2022, from 25% to 50% of the federal earned income tax credit for individuals with no qualifying children and from 12% to 25% of the federal earned income tax credit for all other eligible individuals.				
			Decreased income tax revenue: (\$26,234,724) FY 23		
PART F PROPERTY TAX FAIRNESS CREDIT p. 15	Increases the maximum property tax fairness credit, for tax years beginning on or after 1/1/22, from \$750 to \$1,000 for resident individuals under 65 years of age and from \$1,200 to @1,500 for resident individuals 65 years of age or older.				
			Decreased income tax revenue (\$6,650,000) FY 23		

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<p>PART G EDUCATIONAL OPPORTUNITY TAX CREDIT p. 15</p>	<p>Provides an income tax deduction, for tax years beginning on or after 1/1/22, for payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by FAME for residents of the State employed by a business located in the State.</p>				
			<p>Decrease income tax revenue</p> <p>(\$54,340) FY 23</p>		
<p>PART H JOB CREATION THROUGH EDUCATIONAL OPPORTUNITY PROGRAM p. 16-19</p>	<p>Replaces the current credit for educational opportunity with a broader and simpler refundable student loan repayment credit of up to \$2,000 for an individual's repayment of student loans for taxable years beginning on or after 1/1/2022. Unused credit carryover amounts from the credit for educational opportunity may be claimed and applied to the new credit by a qualified individual for tax years beginning before 1/1/27, subject to the annual credit limit of \$2,000. This Part also repeals the insurance premium tax credit for educational opportunity for tax years beginning on or after 1/1/22.</p>				
			<p>Decrease income tax revenue</p> <p>(39,967,334) FY 23</p>		
<p>PART L COVID PANDEMIC RELIEF PAYMENT pp. 20-23</p>	<p>Creates the COVID Pandemic Relief Payment Program to Provide COVID Pandemic Relief payments to eligible Maine citizens of the State for reasonable and necessary unreimbursed expenses incurred as a result of the COVID-19 pandemic disaster. To fund the program, this Part creates the COVID Pandemic Relief Payment Program fund, Other Special Revenue Funds account and transfers \$411,000,000 to the Fund from the unappropriated surplus of the General Fund. The Fund may be used for a \$510 payment to each eligible Maine citizen and the costs of administration, programming, mailing, public outreach, and taxpayer assistance associated with the program.</p>				
			<p>Transfer from GF unappropriated surplus</p> <p>(\$411,000,000) FY 22</p>		

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