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STATE OF MAINE ONE HUNDRED AND THIRTY-FIRST LEGISLATURE COMMITTEE ON TAXATION

TO: Sen. Margaret Rotundo, Senate Chair
Rep. Melanie Sachs, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Sen. Nicole Grohoski, Senate Chair
Rep. Joseph Perry, House Chair
Joint Standing Committee on Taxation

The Joint Standing Committee on Taxation has reviewed the portions of the biennial budget that were heard jointly with the Appropriations Committee. We have completed the report-back template provided to us which is attached with our votes indicated.

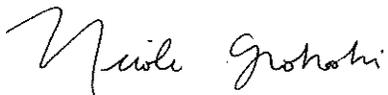
Our Committee also wishes to provide the following information regarding the biennial budget proposal.

- 1. Property Tax Stabilization Program.** Part A of the budget contains three initiatives relating to the property tax stabilization program which was enacted last year. These initiatives are located on p. 9 of 41 (Ref. #: 268), p. 10 of 41 (Ref. #: 270) and page 18 of 41 (Ref. #: 22). At this time, the Taxation Committee does not have formal recommendations on these three items. The Committee agrees that the State should help seniors afford their property taxes as well as reimburse municipalities for their expenses related to the program. However, the Committee recognizes that serious concerns have been raised about the program's design (see Appendix A) and the ability of both State and municipal governments to adequately fund and administer this program over time. The Taxation Committee has already received 4 bills that propose changes to the program which we have scheduled for public hearing on March 16th. We also understand that at least 4 more bills that will propose changes to the program have not yet been printed. Many of us believe these bills and their recommendations must be considered before budget measures are determined; therefore, making recommendations on these three initiatives would be unhelpful to the Appropriations Committee at this time. We have identified this program as an important issue for our Committee this session and will keep you informed of our progress.

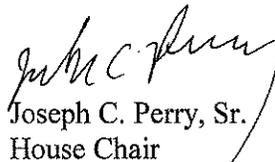
2. **Bureau of Revenue Services, Ref. #9.** This initiative (p. 13 of 41) provides funding for on-going debt service payments previously authorized by legislation for certain computer hardware, software and other systems that support the operations of the tax collection system. The Taxation Committee is divided on whether to approve this initiative; however, the consensus of the Committee is that the state should consider paying off this debt at an earlier date – if contractually permitted to do so – if this would save taxpayer funds.
3. **Bureau of Revenue Services, new positions:** Several members of the Committee raised concerns about authorizing new positions at Maine Revenue Services when there are currently 35 vacancies at the Bureau. The Bureau described initiatives (Ref.#: 23 on p. 18 of 41; Refs.#: 24, 25, and 28 on p. 19 of 41; Ref.#: 27 on p. 20 of 41; Part L on p.39 of 41) which are aimed at making positions more competitive. The Bureau also informed the Committee that if the new positions are not filled, the allocated money will not be drawn from the General Fund.
4. **Language provision regarding Tax Expenditures.** We note that the language provisions in the report-back template that was provided to us contained Part WW relating to appointments made by the Commissioner of Health and Human Services. We believe this was an error and should have been Part WWW relating to the continuation of tax expenditures. We reviewed Part WWW and approve including that provision. We have substituted Part WWW for Part WW in the attached template document.

Please let us know if there is any additional information that you need from the Taxation Committee. We are happy to assist in any way that we can.

Sincerely,



Nicole Grohoski
Senate Chair



Joseph C. Perry, Sr.
House Chair

c:

Appendix A. Property Tax Stabilization Program

Members of the Taxation Committee have identified the following concerns with the Property Tax Stabilization Program. This list is not meant to be exhaustive, nor is there consensus between committee members on each item listed.

- Homestead owners can transfer the stabilized amount to a property of much higher value.
- Transferability of the stabilized tax amounts between different towns is an issue.
- Homestead can be a multi-dwelling rental-income producing property. The real estate tax for the whole property is now frozen.
- No income considerations, many applicants have expansive luxury estate properties.
- Some applicants also own homes in other states, but claim “residency” in Maine for their summer use. Technically, they qualify for the homestead exemption and now the tax freeze, even though they spend half a year in other states.
- A new owner can buy an already-stabilized property after April 1st, and then receives the benefit for that year even though they are not eligible.
- Tax collectors and Assessors are expected to customize/alter a select number of tax bills to reflect the stabilized amounts from the previous year, in what is a largely automated process.
- Burden in municipalities to process yearly applications.
- Statute currently requires state reimbursement to municipalities of 100%. The Constitution only requires 50% reimbursement. This causes anxiety with towns that they will be consistently reimbursed at 100% as the costs of the program increase significantly year over year.

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of Revenue Services Fund 0885

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
BUREAU OF REVENUE SERVICES FUND				
All Other	\$151,720	\$151,720	\$151,720	\$151,720
BUREAU OF REVENUE SERVICES FUND TOTAL	\$151,720	\$151,720	\$151,720	\$151,720

Justification:

Provide imaging, scanning, debt collection, and administrative services to other state agencies. Provide a vehicle to deliver revenue collection services throughout state government.

**BUREAU OF REVENUE SERVICES FUND 0885
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
BUREAU OF REVENUE SERVICES FUND				
All Other	\$151,720	\$151,720	\$151,720	\$151,720
BUREAU OF REVENUE SERVICES FUND TOTAL	\$151,720	\$151,720	\$151,720	\$151,720

County Tax Reimbursement 0263

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

Justification:

The primary function of this program is to ensure that revenue collected from Unorganized Territory taxpayers for motor vehicle and watercraft excise taxes is used to reduce the amount that would otherwise need to be raised through the property tax for the purpose of reimbursing counties for services provided by them in Unorganized Territory within that County. The State Tax Assessor has authorized approximately 60 agents to serve as Unorganized Territory tax collectors at various locations throughout twelve of the sixteen Maine counties. Typically, agent-collectors are also municipal excise tax collectors serving in jurisdictions near selected Unorganized Territory residential areas. This revenue line has proved very difficult to project because the inventory of vehicles changes constantly and may be somewhat cyclical. Inasmuch as vehicle ownership and frequency of replacement follow no discernable pattern or trend our estimations do not warrant a high degree of confidence.

**COUNTY TAX REIMBURSEMENT 0263
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

COVID Pandemic Relief Payment Program Z337

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$320,892,000	\$419,902,184	\$408,408,000	\$408,408,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$320,892,000	\$419,902,184	\$408,408,000	\$408,408,000

Justification:

No current Baseline Appropriation/ Allocation in this program.

COVID Pandemic Relief Payment Program Z337

Initiative: Eliminates allocation for the Covid Pandemic Relief Payment Program Fund. This account was established to fund one-time payments to Maine citizens and should not have been permanently established.

Ref. #: 264

Committee Vote: 12-0 AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	(\$408,408,000)	(\$408,408,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$408,408,000)	(\$408,408,000)

Justification:

This initiative eliminates the allocation in this account. This account was established to fund one-time payments to Maine citizens and should not have been permanently established.

**COVID PANDEMIC RELIEF PAYMENT PROGRAM Z337
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$320,892,000	\$419,902,184	\$0	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$320,892,000	\$419,902,184	\$0	\$0

Elderly Tax Deferral Program 0650

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY				
All Other	\$844,370	\$2,390,889	\$843,870	\$500
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY TOTAL	\$844,370	\$2,390,889	\$843,870	\$500

Justification:

The purpose of the Elderly Tax Deferral Program is to enable qualifying Maine Resident elderly homeowners to defer payment of "homestead" property taxes. Property taxes may present hardships for some elderly homeowners with limited income. This program can help reduce the incidence of elderly persons being displaced from the homestead. The State pays the participant's property tax directly to the municipality that expects timely payment of property taxes in order to maintain necessary services. The program assists those elderly homeowners that may not have the financial ability to satisfy payment demands in full or in a timely fashion and thus may otherwise be compelled to sell the property, seek relief or face tax lien proceedings. The interest of the State in the property is protected by the filing of a lien. The program was available to application through March 31, 1991. The program now consists of paying the annual obligations of initially qualified participants, providing necessary account statements, filing notice of lien and discharging liens resulting from attrition.

ELDERLY TAX DEFERRAL PROGRAM 0650

PROGRAM SUMMARY

	History 2021-22	History 2022-23	2023-24	2024-25
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY				
All Other	\$844,370	\$2,390,889	\$843,870	\$500
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY TOTAL	\$844,370	\$2,390,889	\$843,870	\$500

Homestead Property Tax Exemption Reimbursement 0886

Initiative: BASELINE BUDGET

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$0	\$0	\$97,580,000	\$97,580,000
GENERAL FUND TOTAL	\$0	\$0	\$97,580,000	\$97,580,000

Justification:

The purpose of the reimbursement is to offset the effect upon local property tax burden arising from the municipal exemption provided for the homestead of qualified residents that can certify ownership and permanent residency in Maine for the 12 months preceding the April 1st application date.

Homestead Property Tax Exemption Reimbursement 0886

Initiative: Provides funding for the Homestead Tax Exemption Reimbursement program for the increase in property tax exemption reimbursement to municipalities to conform with Public Law 2021, chapter 398, Part PPP.

Ref. #: 203

Committee Vote: 10-1 AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$5,920,000	\$10,920,000
GENERAL FUND TOTAL	\$5,920,000	\$10,920,000

Justification:

The purpose of the Homestead Property Tax Exemption Reimbursement Program is to offset the effect on local property tax revenues arising from the municipal exemption of certain homestead property of qualified Maine residents. Reimbursement of at least 50% of the tax revenue lost by municipalities as a result of new property tax exemptions is mandated by Article IV, Part Third, section 23 of the Maine Constitution. Public Law 2021, chapter 398, Part PPP increased the current 70% rate of reimbursement to municipalities for the exemption to 73% in fiscal year 2023-24 and 76% in fiscal year 2024-25.

**HOMESTEAD PROPERTY TAX EXEMPTION REIMBURSEMENT 0886
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$0	\$0	\$103,500,000	\$108,500,000
GENERAL FUND TOTAL	\$0	\$0	\$103,500,000	\$108,500,000

Maine Board of Tax Appeals Z146

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
POSITIONS - LEGISLATIVE COUNT	3.000	3.000	3.000	3.000
Personal Services	\$305,110	\$310,792	\$316,155	\$329,621
All Other	\$42,948	\$42,948	\$42,948	\$42,948
GENERAL FUND TOTAL	\$348,058	\$353,740	\$359,103	\$372,569
	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$45,000	\$45,000	\$45,000	\$45,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$45,000	\$45,000	\$45,000	\$45,000

Justification:

The Maine Board of Tax Appeals (BTA) is an independent board within the Department of Administrative and Financial Services (DAFS) and is not subject to the supervision or control of the Bureau of Revenue Services. The Board provides taxpayers a fair system of resolving controversies with the Bureau and ensures due process.

Maine Board of Tax Appeals Z146

Initiative: Provides funding for the Department's share of the cost for the financial and human resources service center within the Department of Administrative and Financial Services.

Ref. #: 233

Committee Vote:

11-1

AFA Vote: _____

	2023-24	2024-25
GENERAL FUND		
All Other	\$4,750	\$5,000
GENERAL FUND TOTAL	\$4,750	\$5,000

Justification:

Service Centers within DAFS provide centralized accounting, payroll, budgeting and human resources services to departments and agencies. Service Centers are established as an internal service funds intended to recoup their costs through billings to departments and agencies for services provided. The Service Centers expenses are higher due to negotiated and benefit changes to Personal Services as well as increases in operational costs. This recoupment process results in increased billing rates to departments and agencies.

**MAINE BOARD OF TAX APPEALS Z146
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	3.000	3.000	3.000	3.000
Personal Services	\$305,110	\$310,792	\$316,155	\$329,621
All Other	\$42,948	\$42,948	\$47,698	\$47,948
GENERAL FUND TOTAL	\$348,058	\$353,740	\$363,853	\$377,569

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$45,000	\$45,000	\$45,000	\$45,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$45,000	\$45,000	\$45,000	\$45,000

Mandate BETE - Reimburse Municipalities Z065

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$20,500	\$20,500	\$20,500	\$20,500
GENERAL FUND TOTAL	\$20,500	\$20,500	\$20,500	\$20,500

Justification:

The Business Equipment Tax Exemption Mandate Reimbursement Program is included in Chapter 623 Section 1, PL 2006. The purpose of the program is to reimburse municipalities and the Unorganized Territory Education and Services Fund for state mandated costs related to the implementation of the Business Equipment Tax Exemption as required under the Constitution of Maine, Article IX, Section 21, and Title 30-A, sec. 5685.

Mandate BETE - Reimburse Municipalities Z065

Initiative: Provides increased funding in the Mandate Business Equipment Tax Exemption -- Reimburse Municipalities Program to reimburse municipalities for state mandated costs related to the implementation and administration of the Business Equipment Tax Exemption.

Ref. #: 227

Committee Vote: 13-0 AFA Vote: _____

	2023-24	2024-25
GENERAL FUND		
All Other	\$6,000	\$7,500
GENERAL FUND TOTAL	\$6,000	\$7,500

Justification:

The purpose of Mandate Business Equipment Tax Exemption-Reimburse Municipalities Program is to reimburse municipalities for state mandated costs related to the implementation and administration of the Business Equipment Tax Exemption as required under Article IX, section 21 of the Maine Constitution and the Maine Revised Statutes, Title 30-A, section 5685. The increase in funding reflects an increase in exemption requests being submitted under the program.

**MANDATE BETE - REIMBURSE MUNICIPALITIES Z065
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$20,500	\$20,500	\$26,500	\$28,000
GENERAL FUND TOTAL	\$20,500	\$20,500	\$26,500	\$28,000

PROPERTY TAX STABILIZATION Z368

Initiative: Provides funding for reimbursement to municipalities for the amount of property tax assessed in excess of the amount stabilized on a homestead of a permanent resident who is at least 65 years pursuant to Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

Ref. #: 268

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$15,000,000	\$31,000,000
GENERAL FUND TOTAL	\$15,000,000	\$31,000,000

Justification:

Public Law 2021, chapter 751 requires a municipality to maintain the property tax of a homestead of a permanent resident who is at least 65 years of age to the amount billed in the year prior to an application for stabilization. The Property Tax Stabilization Fund was created to reimburse municipalities for the amount that the property tax assessed exceeds the stabilized amount.

PROPERTY TAX STABILIZATION Z368

PROGRAM SUMMARY

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$0	\$0	\$15,000,000	\$31,000,000
GENERAL FUND TOTAL	\$0	\$0	\$15,000,000	\$31,000,000

PROPERTY TAX STABILIZATION MANDATE Z369

Initiative: Provides funding for reimbursement to municipalities for the state mandated costs related to the implementation of the property tax stabilization program for homesteads of a permanent resident who is at least 65 years of age pursuant to Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

Ref. #: 270

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$500,000	\$550,000
GENERAL FUND TOTAL	\$500,000	\$550,000

Justification:

The purpose of the program is to provide reimbursement to municipalities for the state mandated costs related to the implementation of the property tax stabilization program for homesteads of a permanent resident who is at least 65 years of age pursuant to Public Law 2021, chapter 751.

**PROPERTY TAX STABILIZATION MANDATE Z369
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$0	\$0	\$500,000	\$550,000
GENERAL FUND TOTAL	\$0	\$0	\$500,000	\$550,000

Renewable Energy Facilities Property Tax Exemption Z296

Initiative: BASELINE BUDGET

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$214,500	\$1,722,000	\$1,722,000	\$1,722,000
GENERAL FUND TOTAL	\$214,500	\$1,722,000	\$1,722,000	\$1,722,000

Justification:

Provides property tax exemption for renewable energy fixtures installed on or after September 1, 2019 on real property for residential, commercial or industrial purposes for the generation of energy or displacement of a nonrenewable source of energy.

Renewable Energy Facilities Property Tax Exemption Z296

Initiative: Provides funding for an increase in the expected reimbursement to municipalities under the Renewable Energy Facilities Property Tax Exemption Program due to anticipated new projects.

Ref. #: 259

Committee Vote:

9-4

AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$50,000	\$550,000
GENERAL FUND TOTAL	\$50,000	\$550,000

Justification:

The purpose of the Renewable Energy Facilities Property Tax Exemption Program is to offset the effect on local property tax revenue arising from the exemption of certain solar and wind energy equipment from municipal property tax as required by Maine Revised Statutes, Title 36, chapter 105, subchapter 4. Reimbursement of at least 50% of the tax revenue lost by municipalities as a result of new property tax exemptions is mandated by Article IV, Part Third, section 23 of the Maine Constitution. The anticipated increase in reimbursements is due to the number of new renewable energy projects being planned or currently under construction.

**RENEWABLE ENERGY FACILITIES PROPERTY TAX EXEMPTION Z296
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$214,500	\$1,722,000	\$1,772,000	\$2,272,000
GENERAL FUND TOTAL	\$214,500	\$1,722,000	\$1,772,000	\$2,272,000

Revenue Services, Bureau of 0002

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
POSITIONS - LEGISLATIVE COUNT	282,500	289,000	288,500	288,500
Personal Services	\$26,916,197	\$27,794,622	\$30,427,536	\$31,026,696
All Other	\$14,784,683	\$15,255,120	\$16,859,531	\$16,859,531
GENERAL FUND TOTAL	\$41,700,880	\$43,049,742	\$47,287,067	\$47,886,227
	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$11,503,348	\$11,463,848	\$11,463,848	\$11,463,848
OTHER SPECIAL REVENUE FUNDS TOTAL	\$11,503,348	\$11,463,848	\$11,463,848	\$11,463,848
	History 2021-22	History 2022-23	2023-24	2024-25
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY				
Personal Services	\$42,538	\$86,099	\$0	\$0
All Other	\$113,092	\$23,012	\$155,130	\$500
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY TOTAL	\$155,630	\$109,111	\$155,130	\$500

Justification:

Maine Revenue Services (MRS) exists primarily to collect tax revenues necessary to support Maine State Government. In order to achieve this end, MRS must responsibly administer state tax law. Subsidiary responsibilities of MRS include oversight of municipal tax administration in order to assist municipalities and provide uniformity of local taxes throughout the state, and operation of various tax relief programs to provide tax relief to taxpayers pursuant to Maine law. In order to achieve MRS' purposes, these major functional areas have evolved. The duties of each are divided among operating divisions of Maine Revenue Services. Tax Administration: The Income & Estate Tax Division administers income, insurance premiums, withholding, financial institution, pass-through entity, estate tax law and the Maine Residents Property Tax Program and the Business Equipment Tax Reimbursement (BETR) Program; the Sales, Fuel & Special Tax Division administers Sales, Use and Service Provider taxes, Recycling Assistance fees, Bulk Motor Oil premiums, Gasoline and Special Fuel taxes and International Fuel Tax Agreement (IFTA), Cigarette and Tobacco Products taxes, Potato, Blueberry, Railroad and Mahogany Quahog taxes, Hospital and Health Care Provider taxes, Initiator of Deposit, Milk Handling fee and various tax refund programs; the Property Tax Division provides oversight and direction for municipal tax administration, annually determines State Valuation, administers the property tax and motor vehicle/watercraft excise taxation in the Unorganized Territories, annually sets Tree Growth valuations, administers municipal reimbursements for Tree Growth, Homestead and Veterans' Exemptions, administers Commercial Forestry Excise and Real Estate Transfer taxes. Operations: The Operations Division provides mail processing and deposits tax revenues, prepares budgets for the Bureau, monitors Bureau expenditures, provides bureau-wide business services and analyzes tax legislation. The Data Entry Division maintains and operates automated systems within the Bureau and provides Bureau-wide data entry services. The Research Division provides research support to the Bureau, develops economic models for tax policy analysis, and monitors monthly tax revenues. Compliance: Audit Units within the Income & Estate Tax and the Sales, Fuel & Special Tax Divisions audit various businesses and individuals to determine their tax liabilities and assist taxpayers to gain the understanding necessary to comply with Maine tax law. The Compliance Division serves as the Bureau's collection arm for delinquent taxes and pursues tax returns which are not filed in a timely fashion. The Appellate Division drafts recommended decisions of the assessor in matters relating to reconsideration and abatement requests and conducts required taxpayer conferences.

Revenue Services, Bureau of 0002

Initiative: Provides funding for debt service authorized in Public Law 2019, chapter 343, Part Q for the acquisition, licensing, installation, implementation, maintenance and support of computer hardware, software and other systems to support the operations of the tax collection system.

Ref. #: 9

Committee Vote:

9-3

AFA Vote: _____

GENERAL FUND

All Other

2023-24

2024-25

\$5,829,950

\$6,496,058

GENERAL FUND TOTAL

\$5,829,950

\$6,496,058

Justification:

Public Law 2019, chapter 343, Part Q authorized the Department of Administrative and Financial Services, Office of Information Technology and the Bureau of Revenue Services to enter into financial arrangements for the acquisition, licensing, installation, implementation, maintenance and support of computer hardware, software and other systems to support the operations of the tax collection system of the Bureau of Revenue Services. The funding is for debt services to pay down the Certificates of Participation issued in order to acquire the system.

Revenue Services, Bureau of 0002

Initiative: Provides funding to cover the increased costs of the economic models for the State Economist and the Office of Tax Policy.

Ref. #: 10

Committee Vote:

12-0

AFA Vote: _____

GENERAL FUND

All Other

2023-24

2024-25

\$3,550

\$3,550

GENERAL FUND TOTAL

\$3,550

\$3,550

Justification:

This initiative provides funding to cover the increased costs of the economic models for the State Economist and the Office of Tax Policy.

Revenue Services, Bureau of 0002

Initiative: Provides funding for the Department's share of the cost for the financial and human resources service center within the Department of Administrative and Financial Services.

Ref. #: 11

Committee Vote:

12-0

AFA Vote: _____

GENERAL FUND

All Other

2023-24

2024-25

\$86,000

\$97,500

GENERAL FUND TOTAL

\$86,000

\$97,500

GENERAL FUND	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	5.000	5.000
Personal Services	\$445,675	\$468,745
All Other	\$27,475	\$21,725
GENERAL FUND TOTAL	\$473,150	\$490,470

Justification:

The Income and Estate Tax Division is responsible for the administration of nine taxes and several tax credits; most notably the student loan repayment, property tax fairness, sales tax fairness, and earned income tax credits. Modifications to Maine's income tax code in recent years have significantly increased both the complexity and the volume of work. Notably, new tax credits have been enacted and existing credits have been expanded or modified, increasing the burden of administration. However, the division's staffing level has failed to keep pace with the changes.

Revenue Services, Bureau of 0002

Initiative: Establishes one Office Specialist I Supervisor position and 2 Office Specialist I positions within the Bureau of Revenue Services, Operations Processing Unit and provides funding for All Other costs.

Ref. #: 17

Committee Vote:

6-5

AFA Vote:

GENERAL FUND	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	3.000	3.000
Personal Services	\$228,612	\$245,541
All Other	\$16,485	\$13,035
GENERAL FUND TOTAL	\$245,097	\$258,576

Justification:

As the Bureau of Revenue Services continues to automate, routine inquiries from taxpayers previously handled by subject matter experts are being shifted to the Operations Processing Center staff. The transition of work allows the subject matter experts the opportunity to provide better customer service for the more complex tax issues but creates a need for more Office Specialist positions to handle the routine inquiries. Due to the current and ongoing volume of work, Maine taxpayers will benefit from additional staffing to reduce work backlogs in suspended returns, refund processing, and setting up new taxpayer registrations.

Revenue Services, Bureau of 0002

Initiative: Provides funding to reimburse municipalities 50% of the amount of property tax reduction resulting from the exemption of central labor councils from property tax as required by Public Law 2021, chapter 410, An Act To Improve Maine's Tax Laws by Providing a Property Tax Exemption for Central Labor Councils.

Ref. #: 18

Committee Vote:

8-3

AFA Vote:

GENERAL FUND	2023-24	2024-25
All Other	\$1,300	\$1,350
GENERAL FUND TOTAL	\$1,300	\$1,350

Justification:

This initiative provides funding to reimburse municipalities 50% of the amount of lost property tax revenues resulting from the exemption of central labor councils from property tax as required by Public Law 2021, chapter 410. Reimbursement of at least 50% of the tax revenue lost by municipalities as a result of new property tax exemptions is mandated by Article IV, Part Third, section 23 of the Maine Constitution.

Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming to add lines to the individual income tax and fiduciary income tax returns required as a result of the enactment of Public Law 2021, chapter 707, An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans.

Ref. #: 19 One Time Committee Vote: 11-0 AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$22,000	\$0
GENERAL FUND TOTAL	\$22,000	\$0

Justification:

The All Other costs to add lines to the individual income tax and fiduciary income tax returns are required as a result of enactment of Public Law 2021, chapter 707, that reinstated and increased the income tax deduction for contributions to education savings plans.

Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming to add lines to the individual, fiduciary and corporate income tax returns required as a result of the enactment of Public Law 2021, chapter 681, An Act To Enhance Tribal-State Collaboration, To Revise the Tax Laws Regarding the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe and the Penobscot Nation and To Authorize Casinos, Off-track Betting Facilities, Federally Recognized Indian Tribes and Certain Commercial Tracks To Conduct Sports Wagering.

Ref. #: 20 One Time Committee Vote: 11-0 AFA Vote: _____

GENERAL FUND	2023-24	2024-25
All Other	\$66,000	\$0
GENERAL FUND TOTAL	\$66,000	\$0

Justification:

The All Other costs for computer programming to add lines to the individual, fiduciary and corporate income tax returns related to tribal exemptions are required by Public Law 2021, chapter 681.

Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming to add lines to the individual, fiduciary and corporate income tax returns required as a result of the enactment of Public Law 2021, chapter 482, An Act To Revitalize Maine's Paper Industry through the Establishment of an Income Tax Credit for Paper Manufacturing.

Ref. #: 21

One Time

Committee Vote: 11-0

AFA Vote: _____

GENERAL FUND

All Other

2023-24

2024-25

\$33,000

\$0

GENERAL FUND TOTAL

\$33,000

\$0

Justification:

This initiative provides funding for All Other costs for computer programming to add lines to the individual, fiduciary and corporate income tax returns related to a refundable income tax credit for qualified paper manufacturers as required by Public Law 2021, chapter 482.

Revenue Services, Bureau of 0002

Initiative: Provides funding for reimbursement to municipalities for the state mandated costs related to the implementation of the property tax stabilization program for homesteads of a permanent resident who is at least 65 years of age pursuant to Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

Ref. #: 22

Committee Vote: _____

AFA Vote: _____

GENERAL FUND

All Other

2023-24

2024-25

(\$196,250)

(\$196,250)

GENERAL FUND TOTAL

(\$196,250)

(\$196,250)

Justification:

The purpose of the program is to provide reimbursement to municipalities for the state mandated costs related to the implementation of the property tax stabilization program for homesteads of a permanent resident who is at least 65 years of age pursuant to Public Law 2021, chapter 751.

Revenue Services, Bureau of 0002

Initiative: Provides funding for the proposed reorganization of 8 full-time Senior Property Appraiser positions and one part-time Senior Property Appraiser position to Senior Revenue Agent positions.

Ref. #: 23

Committee Vote: 10-0

AFA Vote: _____

GENERAL FUND

Personal Services

2023-24

2024-25

\$109,014

\$97,293

GENERAL FUND TOTAL

\$109,014

\$97,293

Justification:

This initiative provides funding for the proposed reorganization of 8.5 full-time equivalent Senior Property Appraiser positions to Senior Revenue Agent positions.

Personal Services	\$375,381	\$381,481
GENERAL FUND TOTAL	\$375,381	\$381,481

Justification:

This initiative provides funding to expand the current Revenue Agent to Senior Revenue Agent training program to include a second career ladder from Senior Revenue Agent to Principal Revenue Agent.

**REVENUE SERVICES, BUREAU OF 0002
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	282.500	289.000	306.500	306.500
Personal Services	\$26,916,197	\$27,794,622	\$32,833,894	\$33,525,966
All Other	\$14,784,683	\$15,255,120	\$22,809,136	\$23,346,244
GENERAL FUND TOTAL	\$41,700,880	\$43,049,742	\$55,643,030	\$56,872,210

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$11,503,348	\$11,463,848	\$11,463,848	\$9,463,848
OTHER SPECIAL REVENUE FUNDS TOTAL	\$11,503,348	\$11,463,848	\$11,463,848	\$9,463,848

FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY	History 2021-22	History 2022-23	2023-24	2024-25
Personal Services	\$42,538	\$86,099	\$0	\$0
All Other	\$113,092	\$23,012	\$155,130	\$500
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY TOTAL	\$155,630	\$109,111	\$155,130	\$500

Snow Grooming Property Tax Exemption Reimbursement Z024

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$26,880	\$26,880	\$26,880	\$26,880
GENERAL FUND TOTAL	\$26,880	\$26,880	\$26,880	\$26,880

Justification:

The purpose of the Snow Grooming Property Tax Exemption Reimbursement program is to reimburse municipalities 50% of the property tax revenue loss as a result of the exemption for snow grooming equipment registered with the Department of Inland Fisheries and Wildlife.

Snow Grooming Property Tax Exemption Reimbursement Z024

Initiative: Provides funding for an expected increase in reimbursements in the Snow Grooming Property Tax Exemption Reimbursement Program due to increased registration costs.

Ref. #: 221

Committee Vote: 10-0 AFA Vote: _____

	2023-24	2024-25
GENERAL FUND		
All Other	\$3,120	\$3,120
GENERAL FUND TOTAL	\$3,120	\$3,120

Justification:

The Snow Grooming Property Tax Exemption Reimbursement Program is mandated by Article IV, Part 3, section 23 of the Maine Constitution. The purpose of the Snow Grooming Property Tax Exemption Reimbursement program is to reimburse municipalities 50% of the property tax revenue lost as a result of the exemption for snow grooming equipment purchased by local snowmobile clubs and registered with the Department of Inland Fisheries and Wildlife. The increase in funding is based on the expected increase in registration costs.

**SNOW GROOMING PROPERTY TAX EXEMPTION REIMBURSEMENT Z024
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$26,880	\$26,880	\$30,000	\$30,000
GENERAL FUND TOTAL	\$26,880	\$26,880	\$30,000	\$30,000

**TREE GROWTH TAX REIMBURSEMENT 0261
PROGRAM SUMMARY**

GENERAL FUND	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$10,500,000	\$10,800,000	\$12,000,000	\$13,200,000
GENERAL FUND TOTAL	\$10,500,000	\$10,800,000	\$12,000,000	\$13,200,000

Unorganized Territory Education and Services Fund - Finance 0573

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$20,591,788	\$26,091,788	\$26,091,788	\$26,091,788
OTHER SPECIAL REVENUE FUNDS TOTAL	\$20,591,788	\$26,091,788	\$26,091,788	\$26,091,788

Justification:

To equitably assess and collect property taxes in the unorganized territory by discovering new property valuations.

Unorganized Territory Education and Services Fund - Finance 0573

Initiative: Provides funding in the Unorganized Territory Education and Services Fund for anticipated growth in county taxes and the cost of county services.

Ref. #: 155

Committee Vote: 10-0 AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$908,212	\$2,908,212
OTHER SPECIAL REVENUE FUNDS TOTAL	\$908,212	\$2,908,212

Justification:

The Unorganized Territory Education and Services Fund disburses tax revenue assessed on Unorganized Territory properties to the counties that provide services to the Unorganized Territory. The Office of the State Auditor is the fiduciary of the Fund; MRS collects the revenue and makes the distributions on behalf of the State Auditor. The increase in funding reflects the anticipated growth in county taxes and the cost of county services.

UNORGANIZED TERRITORY EDUCATION AND SERVICES FUND - FINANCE 0573

PROGRAM SUMMARY

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$20,591,788	\$26,091,788	\$27,000,000	\$29,000,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$20,591,788	\$26,091,788	\$27,000,000	\$29,000,000

Veterans' Organizations Tax Reimbursement Z062

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$44,800	\$44,800	\$44,800	\$44,800
GENERAL FUND TOTAL	\$44,800	\$44,800	\$44,800	\$44,800

Justification:

The purpose of this program is to reimburse municipalities for 50% of the loss in property tax revenue resulting from the expansion of the property tax exemption granted to veterans organizations.

Veterans' Organizations Tax Reimbursement Z062

Initiative: Provides funding for an expected increase in reimbursements to municipalities in the Veterans' Organization Tax Reimbursement Program.

Ref. #: 224

Committee Vote: 9-0 AFA Vote: _____

	2023-24	2024-25
GENERAL FUND		
All Other	\$5,200	\$5,200
GENERAL FUND TOTAL	\$5,200	\$5,200

Justification:

The Veteran's Organizations Tax Reimbursement Program is mandated by Article IV, Part Third, section 23 of the Maine Constitution. The purpose of this program is to reimburse municipalities for 50% of the loss in property tax revenues associated with the property tax exemption granted to veterans' organizations.

**VETERANS' ORGANIZATIONS TAX REIMBURSEMENT Z062
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$44,800	\$44,800	\$50,000	\$50,000
GENERAL FUND TOTAL	\$44,800	\$44,800	\$50,000	\$50,000

Veterans Tax Reimbursement 0407

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$1,260,000	\$1,260,000	\$1,260,000	\$1,260,000
GENERAL FUND TOTAL	\$1,260,000	\$1,260,000	\$1,260,000	\$1,260,000

Justification:

The Veteran's Tax Exemption Reimbursement Program is mandated by Article IV, Part 3, Section 23 of the Maine Constitution. The purpose of the reimbursement is to diminish the effect upon local property tax burden arising from the municipal exemption provided for the estates of qualified veterans and certain survivors of a deceased veteran that are eligible based on the qualifying service of that veteran.

Veterans Tax Reimbursement 0407

Initiative: Provides funding for an increase in reimbursements to municipalities based on the expansion of the exemption in the Veteran's Tax Exemption Reimbursement Program enacted in Public Law 2021, chapter 682, An Act To Expand Eligibility for the Veterans' Property Tax Exemption.

Ref. #: 140

Committee Vote:

9-0

AFA Vote:

	2023-24	2024-25
GENERAL FUND		
All Other	\$40,000	\$140,000
GENERAL FUND TOTAL	\$40,000	\$140,000

Justification:

The purpose of the Veteran's Tax Exemption Reimbursement Program is to diminish the effects on local property tax burdens arising from the municipal exemption provided for the estates of qualified veterans and certain survivors of a deceased veteran who are eligible based on the qualifying service of that veteran. The program is mandated by Article IV, Part Third, section 23 of the Maine Constitution and provides a reimbursement to municipalities of at least 50% of the lost property tax revenues associated with the exemption. An increase in reimbursements is anticipated based on the expansion of the exemption with an additional service period enacted in Public Law 2021, chapter 682.

**VETERANS TAX REIMBURSEMENT 0407
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$1,260,000	\$1,260,000	\$1,300,000	\$1,400,000
GENERAL FUND TOTAL	\$1,260,000	\$1,260,000	\$1,300,000	\$1,400,000

Waste Facility Tax Reimbursement 0907

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$10,920	\$10,920	\$10,920	\$10,920
GENERAL FUND TOTAL	\$10,920	\$10,920	\$10,920	\$10,920

Justification:

The purpose of this program is to reimburse municipalities for 50% of the loss in property tax revenue resulting from property tax exemptions granted on animal waste storage facilities.

Waste Facility Tax Reimbursement 0907

Initiative: Provides funding to reflect previous years' trends and actual requests submitted for the Waste Facility Tax Reimbursement Program.

Ref. #: 210

Committee Vote:

9-0

AFA Vote:

	2023-24	2024-25
GENERAL FUND		
All Other	\$4,080	\$5,080
GENERAL FUND TOTAL	\$4,080	\$5,080

Justification:

Reimbursement to municipalities for 50% of the loss in property tax revenues as a result of the exemption provided to certain waste storage facilities is required by Maine Revised Statutes, Title 36, section 656, paragraph J and is mandated by Article IV, Part Third, section 23 of the Maine Constitution. The increase in funding reflects previous years' trends and actual requests.

**WASTE FACILITY TAX REIMBURSEMENT 0907
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
All Other	\$10,920	\$10,920	\$15,000	\$16,000
GENERAL FUND TOTAL	\$10,920	\$10,920	\$15,000	\$16,000

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2023-24	2024-25
GENERAL FUND	\$190,200,383	\$214,295,779
OTHER SPECIAL REVENUE FUNDS	\$40,508,848	\$40,508,848
FEDERAL EXPENDITURES FUND - ARP STATE FISCAL RECOVERY	\$999,000	\$1,000
BUREAU OF REVENUE SERVICES FUND	\$151,720	\$151,720
DEPARTMENT TOTAL - ALL FUNDS	\$231,859,951	\$254,957,347

Sec. A-60. Appropriations and allocations. The following appropriations and allocations are made.

PROPERTY TAX REVIEW, STATE BOARD OF

Property Tax Review - State Board of 0357

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
Personal Services	\$6,000	\$213,250	\$216,696	\$229,014
All Other	\$80,565	\$97,231	\$97,231	\$97,231
GENERAL FUND TOTAL	\$86,565	\$310,481	\$313,927	\$326,245
	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$3,000	\$3,000	\$3,000	\$3,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$3,000	\$3,000	\$3,000	\$3,000

Justification:

The Board has been established to hear and determine tax abatement appeals involving nonresidential properties with an equalized valuation of \$1,000,000 or more and appeals arising under 1) the tree tax law (36 MRSA 571 et seq.), 2) the farm and open space law (36 MRSA 1101 et seq.), 3) mine site cases (as provided in 36 MRSA 2865), 4) Working Waterfront designations (36 MRSA, 1131 et seq.); and municipal valuation appeals (36 MRSA 272).

PROPERTY TAX REVIEW - STATE BOARD OF 0357

PROGRAM SUMMARY

	History 2021-22	History 2022-23	2023-24	2024-25
GENERAL FUND				
Personal Services	\$6,000	\$213,250	\$216,696	\$229,014
All Other	\$80,565	\$97,231	\$97,231	\$97,231
GENERAL FUND TOTAL	\$86,565	\$310,481	\$313,927	\$326,245
	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$3,000	\$3,000	\$3,000	\$3,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$3,000	\$3,000	\$3,000	\$3,000

PROPERTY TAX REVIEW, STATE BOARD OF

DEPARTMENT TOTALS	2023-24	2024-25
GENERAL FUND	\$313,927	\$326,245
OTHER SPECIAL REVENUE FUNDS	\$3,000	\$3,000
DEPARTMENT TOTAL - ALL FUNDS	\$316,927	\$329,245

Sec. A-70. Appropriations and allocations.

The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF

Disproportionate Tax Burden Fund 0472

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$45,787,111	\$49,874,558	\$49,874,558	\$49,874,558
OTHER SPECIAL REVENUE FUNDS TOTAL	\$45,787,111	\$49,874,558	\$49,874,558	\$49,874,558

Justification:

The Disproportionate Tax Burden Fund was established to provide additional support for municipalities experiencing a higher-than-average property tax burden. Staff in the Administration program distribute payments to more than 490 municipalities by the 20th of each month; update individual municipalities' statistics annually which are used to determine the distribution ratio; respond to municipalities' questions and audits confirmations; forward projection information to the Maine Municipal Association for distribution; maintain and update website (facilitating electronic deposit) monthly.

Disproportionate Tax Burden Fund 0472

Initiative: Adjusts funding for Municipal Revenue Sharing to bring allocations in line with projected available resources for fiscal year 2024-25.

Ref. #: 3236

Committee Vote:

9-0

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$3,735,358	\$5,232,019
OTHER SPECIAL REVENUE FUNDS TOTAL	\$3,735,358	\$5,232,019

Justification:

This initiative adjusts the allocation for the State-Municipal Revenue Sharing account based on the projected amount of revenue sharing funds available for fiscal year 2024-25. The distribution of revenue sharing funds is required in accordance with Maine Revised Statutes Title 30-A, section 5681.

DISPROPORTIONATE TAX BURDEN FUND 0472

PROGRAM SUMMARY

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$45,787,111	\$49,874,558	\$53,609,916	\$55,106,577
OTHER SPECIAL REVENUE FUNDS TOTAL	\$45,787,111	\$49,874,558	\$53,609,916	\$55,106,577

Passamaquoddy Sales Tax Fund 0915

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$17,607	\$17,607	\$17,607	\$17,607
OTHER SPECIAL REVENUE FUNDS TOTAL	\$17,607	\$17,607	\$17,607	\$17,607

Justification:

The purpose of this program is to process the reimbursement of sales taxes paid to the Passamaquoddy Tribal Government.

**PASSAMAQUODDY SALES TAX FUND 0915
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$17,607	\$17,607	\$17,607	\$17,607
OTHER SPECIAL REVENUE FUNDS TOTAL	\$17,607	\$17,607	\$17,607	\$17,607

Penobscot Sales Tax Fund Z360

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$0	\$500	\$500	\$500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500	\$500	\$500

Justification:

The Penobscot Sales Tax Fund was established with the purpose of returning sales tax revenue to the Penobscot Nation, for purchases occurring on their territory.

Penobscot Sales Tax Fund Z360

Initiative: Provides funding in the Penobscot Sales Tax Fund for the purpose of returning sales tax revenue to the Penobscot Nation for sales occurring on Penobscot Indian Territory.

Ref. #: 3249

Committee Vote:

10-0

AFA Vote: _____

		2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS			
All Other		\$5,000	\$5,000
OTHER SPECIAL REVENUE FUNDS TOTAL		\$5,000	\$5,000

Justification:

This initiative provides funding in the Penobscot Sales Tax Fund for the purpose of returning sales tax revenue to the Penobscot Nation for sales occurring on Penobscot Indian Territory as required by the Maine Revised Statutes, Title 36, chapter 213, section 1815.

PENOBSCOT SALES TAX FUND Z360

PROGRAM SUMMARY

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$0	\$500	\$5,500	\$5,500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500	\$5,500	\$5,500

Property Tax Relief Fund for Maine Residents Z285

Initiative: BASELINE BUDGET

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$206,500	\$206,500	\$206,500	\$206,500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$206,500	\$206,500	\$206,500	\$206,500

Justification:

The Property Tax Relief Program, an Other Special Revenue Funds account in the Office of the Treasurer of State, is established to cover the cost of property tax relief payments to residents of the State, the costs of the Treasurer of State in administering this section and the cost to make state payments to municipalities for costs related to relief payments pursuant to mandates under the Constitution of Maine, Article IX, Section 21.

Property Tax Relief Fund for Maine Residents Z285

Initiative: Eliminates allocation of the Property Tax Relief Fund for Maine Residents repealed by the Legislature in Public Law 2021, chapter 398, Part ZZZ-1.

Ref. #: 3243

Committee Vote: 10-0 AFA Vote: _____

	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS		
All Other	(\$206,500)	(\$206,500)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$206,500)	(\$206,500)

Justification:

This initiative eliminates the allocation of the Property Tax Relief Fund for Maine Residents repealed by the Legislature in Public Law 2021, chapter 398, Part ZZZ-1.

**PROPERTY TAX RELIEF FUND FOR MAINE RESIDENTS Z285
PROGRAM SUMMARY**

	History 2021-22	History 2022-23	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS				
All Other	\$206,500	\$206,500	\$0	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$206,500	\$206,500	\$0	\$0

State - Municipal Revenue Sharing 0020

Initiative: BASELINE BUDGET

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$167,148,440	\$183,498,229	\$183,498,229	\$183,498,229
OTHER SPECIAL REVENUE FUNDS TOTAL	\$167,148,440	\$183,498,229	\$183,498,229	\$183,498,229

Justification:

Within the State-Municipal Revenue Sharing program exists the Local Government Fund which was established to strengthen the state-municipal fiscal relationship in an effort to stabilize the municipal property tax burden and to aid in financing all municipal services. The Disproportionate Tax Burden Fund was also established to provide additional support for municipalities experiencing a higher-than-average property tax burden. Staff in the Administration program distribute payments to more than 490 municipalities by the 20th of each month; update individual municipalities' statistics annually which are used to determine the distribution ratio; respond to municipalities' questions and audits confirmations; forward projection information to the Maine Municipal Association for distribution; maintain and update website (facilitating electronic deposit) monthly.

State - Municipal Revenue Sharing 0020

Initiative: Adjusts funding for Municipal Revenue Sharing to bring allocations in line with projected available resources for fiscal year 2024-25.

Ref. #: 3223

Committee Vote: 10-0 AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$14,941,439	\$20,928,079
OTHER SPECIAL REVENUE FUNDS TOTAL	\$14,941,439	\$20,928,079

Justification:

This initiative adjusts the allocation for the State-Municipal Revenue Sharing account based on the projected amount of revenue sharing funds available for fiscal year 2024-25. The distribution of revenue sharing funds is required in accordance with Maine Revised Statutes Title 30-A, section 5681.

**STATE - MUNICIPAL REVENUE SHARING 0020
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2021-22	History 2022-23	2023-24	2024-25
All Other	\$167,148,440	\$183,498,229	\$198,439,668	\$204,426,308
OTHER SPECIAL REVENUE FUNDS TOTAL	\$167,148,440	\$183,498,229	\$198,439,668	\$204,426,308

TREASURER OF STATE, OFFICE OF

DEPARTMENT TOTALS

2023-24

2024-25

OTHER SPECIAL REVENUE FUNDS

\$252,078,191

\$259,561,492

DEPARTMENT TOTAL - ALL FUNDS

\$252,078,191

\$259,561,492

IN:
11-0

PART L

Sec. L-1. 36 MRSA §112, sub-§2-A as enacted by P.L. 2017, c. 284, Pt. T, §1 is amended to read:

2-A. Training program. The assessor may implement a training program to enhance the technical and service delivery expertise of the bureau's revenue agents ~~and property appraisers~~. Employees in ~~these~~ the revenue agent classifications who participate in the training program and who demonstrate that they have achieved competencies prescribed by the assessor may progress immediately to the senior revenue agent ~~position in these classification series~~. Employees in the senior revenue agent classification who participate in the training program and who demonstrate that they have achieved competencies prescribed by the assessor may progress immediately to the principal revenue agent classification.

PART L SUMMARY

This Part authorizes the State Tax Assessor to implement a program to develop the expertise of Senior Revenue Agents. Upon successful completion of the program and demonstration of prescribed competencies, employees in this classification may immediately progress to the Principal Revenue Agent classification. Until achievement of these benchmarks, compensation will be at the Senior Revenue Agent level. The changes will improve the ability of the Bureau of Revenue Services to attract and retain capable agents in order to respond to the increasing complexity of tax administration and auditing.

IN!
9-2

PART M

Sec. M-1. 36 MRSA §151, sub-§2, ¶C, as enacted by PL 2011, c. 694, §3, is amended to read:

C. If the matter between the division and the petitioner is not resolved within the 90-day period, and any extension thereof, the petitioner may consider the petition for reconsideration denied. The petitioner may not consider the petition for reconsideration denied after either the reconsidered decision has been received by the petitioner or the expiration of 9 years following the filing of the petition for reconsideration, whichever occurs first. A petition for reconsideration considered denied pursuant to this paragraph constitutes final agency action. A petitioner elects to consider the petition for reconsideration denied pursuant to this paragraph by:

- (1) For a small claim request, filing a petition for review in Superior Court. For purposes of this subparagraph, "small claim request" has the same meaning as in paragraph E; or
- (2) For all other requests:
 - (a) Filing a statement of appeal with the board where the amount of tax or refund request in controversy is \$500,000 or less; or
 - (b) Filing a petition for review in Superior Court.

Sec. M-2. 36 MRSA §151, sub-§2, ¶E, as amended by PL 2013, c. 45, §4, is further amended to read:

E. A reconsidered decision rendered on any request other than a small claim request constitutes the assessor's final determination, subject to review either by the board or directly by the Superior Court, except that the board may review such a reconsideration decision rendered on any request other than a small claim request only if the amount of tax or refund request in controversy is \$500,000 or less. A reconsidered decision rendered on a small claim request constitutes the assessor's final determination and final agency action and is subject to de novo review by the Superior Court. For purposes of this paragraph, "small claim request" means a petition for reconsideration when the amount of tax or refund request in controversy is less than \$1,000.

**PART M
SUMMARY**

This Part limits the jurisdiction of the Board of Tax Appeals, an independent board within the Department of Administrative and Financial Services, to matters where the amount in controversy is \$500,000 or less.

PART WW

Sec. WW-1. 22-A MRSA §205, sub-§4 is amended to read:

4. Appointments. All deputy commissioners, all office directors, the Director Division of Licensing and Certification, the regional systems integration directors and the superintendents of any state institutions are appointed by the commissioner and serve at the pleasure of the commissioner.

**PART WW
SUMMARY**

This Part makes the Director Division of Licensing and Certification appointed by the commissioner and serves at the pleasure of the commissioner.

Replaced by PART WW

**PART VVV
SUMMARY**

This Part clarifies that COVID Disaster Relief Payment checks will be treated as unclaimed property that is not subject to the notice and receipt provisions established in the Maine Revised Statutes, Title 33, section 2101.

PART WWW

Sec. WWW-1. Tax expenditures. In accordance with the Maine Revised Statutes, Title 5, section 1666 and to the extent not otherwise provided in this Act, funding is continued for each individual tax expenditure, as defined in Title 5, section 1666, reported in the budget document submitted to the Legislature by the Governor on January 11, 2023 in the first regular legislative session.

**PART WWW
SUMMARY**

This Part continues authorization for each individual tax expenditure provided by statute.

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