



131st MAINE LEGISLATURE

LD 2028

LR 2807(03)

An Act to Amend Certain State Tax Laws

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | FY 2023-24 | FY 2024-25 | Projections FY 2025-26 | Projections FY 2026-27 |
|-----------------------------|------------|-------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$0 | (\$976,000) | (\$2,555,000) | (\$2,714,000) |
| Revenue | | | | |
| General Fund | \$0 | \$976,000 | \$2,555,000 | \$2,714,000 |
| Other Special Revenue Funds | \$0 | \$1,000 | \$3,000 | \$4,000 |

Fiscal Detail and Notes

Amending the products subject to the tobacco products tax to include products containing synthetic nicotine will increase tobacco products tax revenue by \$951,000 in fiscal year 2024-25 and increase sales tax revenue by \$26,000 in fiscal year 2024-25. The increase in sales tax revenue results from an estimated increase in retail prices in response to the excise tax on products containing synthetic nicotine. Local Government Fund revenue will increase by \$1,000 in fiscal year 2024-25.

This bill also requires that transfers from the General Fund to several Other Special Revenue Fund accounts be calculated after the reduction of General Fund revenue for transfers of revenue attributable to tax collected on sales occurring on tribal lands. This will ensure that not more than 100% of revenue attributable to tax collected on sales occurring on tribal lands is transferred out of the General Fund and will result in minor decreases in revenue in the affected Other Special Revenue Funds accounts.