Proposed Adjustments to Review Category Assignments

Note: OPEGA reviewed the document "Enacted Tax Legislation- 2026 Session" prepared by Maine Revenue Services to catalogue new, repealed or modified tax expenditures from statutory changes in 2026. Based on this information, OPEGA proposes the following category adjustments.

Expenditure Program Name	Brief Description	Tax Policy Goal	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statue Cite: Title 36 unless otherwise specified	Proposed Adjustment
Recommended Changes to Category A - Full Evaluation by OPEGA						
Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Non-Business Incentives	$340,000	$285,000	§5122(2)(N)	Enacted by PL 1999, c. 708 **Proposal: Recategorize to No Review**
Deduction for Interest and Dividends on Maine State and Local Securities- Corporate Income Tax	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Non-Business Incentives	$20,000 - $100,000	$20,000 - $100,000	§5200-A(2)(K)	
Recommended Changes to Category C - No Review						
Pass-Through Entity Tax Credit [NEW]	A pass-through entity tax was created for tax years beginning 1.1.26. Qualified members may claim a refundable income tax credit equal to 90% of their distributive share of the pass-through entity tax paid. Created as a response to federal tax policy related to the SALT Cap.	Specific Policy Goal/Mandate	Not available	Not available	§5219-CCC	Enacted by PL 2025, c. 650 **Proposal: Add to No Review**
Cannabis Sales & Transfers Exemption from Cannabis Excise Tax [NEW]	Exempts from the cannabis excise tax the sale or transfer of adult use cannabis to a cultivation facility and exempts the transfer of adult use cannabis to a products manufacturing facility when the adult use cannabis is returned to the original cultivation facility in the same form and weight within 30 days.	Tax Fairness	Not available	Not available	§4923(7)&(8)	Enacted by PL 2025, c. 504 **Proposal: Add to No Review**
Income Subtraction Modification for Certain Tribal Member Compensation [NEW]	For tax years beginning 1.1.27, a tribal member may, to the extent included in federal adjusted gross income and otherwise subject to Maine income tax, claim an income substraction modification on their individual income tax return equal to the amount of tribal compensation.	Specific Policy Goal/Mandate	Not available	Not available	§§5102(5-B) & 5122(2)(B)	Enacted by PL 2025, c. 705, Pt. B **Proposal: Add to No Review**

** Revenue Loss Estimates are from the Maine State Tax Expenditure Report (Red Book) unless otherwise noted.*