Proposed Tax Expenditure Review Schedule for Category A (Full Evaluations)

Expenditure Program Name	Brief Description	Policy Group	Tax Type	Expenditure Type	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Citation in Title 36	Enactment	Sunset
REVIEWS IN PROGRESS									
~~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~~	~~Income~~	~~Deduction~~	~~$340,000~~	~~$285,000~~	~~§5122(2)(N)~~	~~2000~~	~~No Sunset~~
~~Deduction for Interest and Dividends on U.S., 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~~	~~Income~~	~~Deduction~~	~~$20,000 - $100,000~~	~~$20,000 - $100,000~~	~~§5200-A(2)(A), §5200-A(2)(K)~~	~~2000~~	~~No Sunset~~
Credit for Affordable Housing ***GOC voted for review to be completed by 3.2027***	Taxpayer receiving a tax credit certificate from MSHA for an affordable housing project located in Maine, may claim a refundable tax credit for that taxable year.	Specific Policy Goal/Mandate	Income	Credit	$14,250,000	$14,250,000	§5219-WW	2020	2036
FUTURE REVIEWS									
Earned Income Credit	Tax credit equal a percentage of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit.	Non-Business Incentives	Income	Credit	$41,300,000[#]	$40,900,000[#]	§5219-S	2000	No Sunset
Additional Standard Deduction for the Blind and Elderly	Additional $1,550 standard deduction if single, or $1,250 if married available to taxpayers who are blind beginning in tax year 2016.	Tax Relief-Individuals	Income	Deduction	$10,850,000	$11,260,000	§5124-C	N/A	No Sunset
Income Tax Credit for Child & Dependent Care Expense	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Max of $500.	Tax Relief-Individuals	Income	Credit	$4,275,000	$4,445,000	§5218	2001	No Sunset
Deduction for Pension Income & IRA Distributions	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts.	Tax Relief-Individuals	Income	Deduction	$133,210,000	$141,710,000	§5122(2)(M)	N/A	No Sunset
Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	Tax Relief-Individuals	Income	Deduction	$157,160,000	$166,930,000	§5122(2)(C)	N/A	No Sunset
Student Loan Repayment Tax Credit	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree.	Non-Business Incentives	Income	Credit	$74,815,000	$77,800,000	§5217-E	2022	No Sunset
Property Tax Fairness Credit	Income tax credit for Maine residents based on a formula, involving the taxpayer's income, age and amount of property taxes paid.	Tax Relief-Individuals	Income	Credit	$118,145,000	$122,160,000	§5219-KK	2014	No Sunset
Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	Tax Relief-Individuals	Income	Credit	$28,355,000	$27,860,000	§5213-A, §5403(5)	2015	No Sunset
Major Food Processing & Manufacturing Facilities Expansion Credit	Refundable income tax credit for construction or expansion of a qualifying food processing and manufacturing facility in Maine.	Business Incentive-Targeted Industry	Income	Credit	$0	$1,453,500	§5219-VV	2019	Can be claimed in 2022, or first tax year after certificate of completion, and 19 years after.

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Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps at a discount.	Specific Policy Goal/Mandate	Other	Exemption	$1,182,000	$1,154,000	§4366-A(2)	2005	No Sunset
Air & Water Pollution Control Facilities	Tax exemption on sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	Specific Policy Goal/Mandate	Sales & Use	Exemption	$500,000 - $1,999,999	$500,000 - $1,999,999	§1760(29), §1760(30)	1969	No Sunset
Sales Through Coin Operated Vending Machines	Tax exemption on sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	Administrative Burden	Sales & Use	Exemption	$1,412,000	$1,473,000	§1760(34)	1981	No Sunset
Dirigo Business Incentives Program Tax Credit	Income tax credit for qualified businesses that have been certified under the program and make eligible capital investments in eligible business property or that provide qualified training to its employees within the State.	Business Incentive	Income	Credit	$44,783,000	$46,388,500	§5219-AAA	2023	No Sunset
Qualified Professional Baseball Facilities Income Tax Credit	A qualified applicant that has made a qualified investment of at least $1M may be eligible for a refundable credit of up to $1.995M total over 15 years.	Business Incentive-Targeted Industry	Income	Credit	$126,350	$126,350	§5219-BBB	2024	Investment must be made by November 30, 2026; credits claimed for 15 years.
COMPLETED REVIEWS; AWAITING ROUND 2 OF EVALUATION (Except for Special Projects)									
New Markets Capital Investment Credit **(2017)**	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	Business Incentive-Financial Incentives	Income	Credit	$841,000	$643,000	§5219-HH	2012	No Sunset; but program cap
Employment Tax Increment Financing **(2019)**	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area.	Business Incentive-Job Creation	Income	Reimbursement	$9,697,000	$6,745,000	Ch. 917	1996	No Sunset; enhanced benefits end in 2034 with PTDZ.
Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE) **(2020)**	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	Business Incentive-Equip Investment	Property	Reimbursement	$73,596,000	$76,575,000	Ch. 105 (4-C)	2006	No Sunset
Reimbursement for Taxes Paid on Certain Business Property (BETR) **(2020)**	Reimbursement of property tax paid on qualified business property, with limitations. Reimbursement of taxes for property located at a retail sales facility and used primarily in retail sales activity is phasing out by CY28.	Business Incentive-Equip Investment	Property	Reimbursement	$16,319,000	$15,358,000	Ch.915	1995	No Sunset; restrictions enacted in 2006 limit program entrance
Maine Seed Capital Tax Credit **(2021)**	Tax credit of up to 50% for capital investment in eligible businesses with limitations.	Business Incentive-Financial Investment	Income	Credit	$5,270,000	$5,470,000	§5216-B	1988	No Sunset
Maine Historic Rehabilitation Tax Credit **(2021)**	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Tied to federal credit.	Business Incentive-Targeted Industry	Income	Credit	$21,074,000	$22,707,000	§5219-BB	2008	2030
Research Expense Tax Credit **(2022)**	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations.	Business Incentive-Research Investment	Income	Credit	$3,950,000	$4,110,000	§5219-K	1995	No Sunset
Tax Benefits for Media Production Companies **(2023)**	Tax credit and wage reimbursement for certified productions of visual media production companies.	Business Incentive-Targeted Industry	Income	Credit	$230,000	$240,000	§5219-Y, §6902	2006	No sunset

Expenditure Program Name	Brief Description	Policy Group	Tax Type	Expenditure Type	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Citation in Title 36	Enactment	Sunset
Shipbuilding Facility Investment Credit **(2024)**	Nonrefundable income tax credits for major business investments in a shipbuilding facility when criteria are met.	Business Incentive-Targeted Industry	Income	Credit	$2,968,750	$2,968,750	§5219-RR	2018	2034
Paper Manufacturing Facility Investment Credit **(2024)**	Refundable income tax credit for major investments in a paper manufacturing facility when criteria are met.	Business Incentive-Targeted Industry	Income	Credit	$1,520,000	$1,520,000	§5219-YY	2021	Investment by 12.31.23; credits claimed for 10 years.
Special Project on Student Loan Repayment Tax Credit **(2025)**	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree.	Non-Business Incentives	GOC assigned OPEGA a special project on 5.9.25 outside of the typical tax expenditure process to assess design changes for the credit over time and the impact on access, degree attainment in the state, and impact on revenue loss.						
Major Business Headquarters Expansion** **(2025)**	Refundable income tax credit for investment of a major business that expands or locates its headquarters in Maine when criteria are met.	Business Incentive	Income	Credit	$760,000	$760,000	§5219-QQ	2017	Investment by 12.31.22; credits claimed for 20 years.
Limited Analysis Project on the Credit for Affordable Housing **(2026)**	Taxpayer receiving a tax credit certificate from MSHA for an affordable housing project located in Maine, may claim a refundable tax credit for that taxable year.	Specific Policy Goal/Mandate	GOC assigned OPEGA a 30-day limited analysis project at the 133rd Taxation Committee's request as allowed under 3 MRS §998(6). The project provided information on similar programs in other states, particularly as related to sunset dates, affordable housing trends in Maine and nationally, and availability of research on effects of tools like Maine's credit.						

** FY26/FY27 Revenue Loss Estimates are from the Maine State Tax Expenditure Report (MSTER).*

***A limited scope design review of the Major Business Headquarters Expansion was conducted following enactment of the program.*

[#] *The estimate is net of the transfer of TANF funds that partially offsets the General Fund loss.*