

Proposed Tax Expenditures Classified for No Review

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
<u>Pass-Through Entity Tax Credit [NEW]</u>	<u>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.</u>	<u>Specific Policy Goal/Mandate</u>	<u>Not available</u>	<u>Not available</u>	<u>§5219-CCC</u>
<u>Cannabis Sales & Transfers Exemption from Cannabis Excise Tax [NEW]</u>	<u>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.</u>	<u>Tax Fairness</u>	<u>Not available</u>	<u>Not available</u>	<u>§4923(7)&(8)</u>
<u>Income Subtraction Modification for Certain Tribal Member Compensation [NEW]</u>	<u>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 subtraction modification on their individual income tax return equal to the amount of tribal compensation.</u>	<u>Specific Policy Goal/Mandate</u>	<u>Not available</u>	<u>Not available</u>	<u>§§5102(5-B) & 5122(2)(B)</u>
Casual Sales	Tax exemption on any casual sale, defined as an isolated transaction in which tangible personal property or a taxable service is sold other than in the ordinary course of repeated transactions by the person making the sale; e.g. at a yard sale.	Administrative Burden	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	1752(11)(B)(1)
Certain Meals Served by Colleges to Employees of the College	Tax exemption on sales of meals served by a college to its employees if purchased with college-issued debit cards.	Administrative Burden	\$0 - \$49,999	\$0 - \$49,999	1760(6)(E)
Sales by Executors	Tax exemption on sales by a personal representative in the settlement of an estate.	Administrative Burden	\$0 - 49,999	\$0 - 49,999	1752(11)(B)(2)
Sales Tax Exemption for Paint Stewardship Program fee	Exempts from sales and use tax the fee imposed to fund the paint stewardship program. Effective December 1, 2018.	Administrative Burden	\$85,000	\$86,000	1752(14)(B)(12)
Business Purchases of Automobiles for the Purpose of Rentals for Less than One Year	The sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented for a period of less than one year. For the purposes of this subparagraph, "automobile" includes a pickup truck or van with a gross vehicle weight of less than 26,000 pounds. (This is an exemption by defining it as "not a retail sale".)	Business Incentive - Equipment Investment	\$104,936,000	\$106,363,000	\$1752(11)(B)(3)
Credit for Biofuel Commercial Production	A taxpayer engaged in the production of biofuels in the State who has received certification is allowed a credit against the tax imposed on income from the production of biofuel in the amount of 5¢ per gallon of liquid biofuel or gaseous biofuel with a BTU equivalent to that of one gallon of gasoline that replaces the use of petroleum or liquid fuels derived from other fossil carbon sources. For tax years beginning on or after Jan 1, 2020 this credit is reinstated.	Business Incentive - Targeted Industry	\$0 - \$49,000	\$0 - \$49,000	§5219-X(5)

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Renewable Chemicals Tax Credit	Taxpayer engaged in production of renewable chemicals in Maine may claim a credit 8 cents per pound of renewable chemicals produced. Credit may only be used to reduce the Maine tax imposed on income derived from production of renewable chemicals. Includes employment restrictions on contractors hired or retained to harvest renewable biomass used in production of renewable chemicals.	Business Incentive - Targeted Industry	\$0 - \$49,000	\$0 - \$49,000	§5219-XX
Short-term Rentals of Trucks and Vans Rented from a Person Primarily Engaged in the Business of Renting Automobiles	Beginning in 1.1.2025, the rates of sales tax charged on rentals of trucks and vans with a gross vehicle weight rating of less than 26,000 pounds, rented from a person primarily engaged in the business of renting automobiles, will be reduced from 10% to 5.5% of the periodic rental payment amount. The 10% rate is still imposed on rentals of automobiles and certain loaner vehicles for periods less than one year.	Business Incentive- Targeted Industry	Not available	Not available	§1811(1)(D)
Adaptive Equipment for Vehicles of Persons with Disabilities	Tax exemption on sales of adaptive equipment used to make a motor vehicle operable or accessible by a person with a disability.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(95)
Automobiles Sold to Certain Disabled Veterans	Tax exemption on sales of automobiles to certain amputee and blind veterans.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(22)
Automobiles Used in Driver Education Programs	Tax exemption on automobile sales to automobile dealers to equip and provide them to schools for driver education programs.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(21)
Cellular or Wireless Services Supported by Federal Universal Support Funds	Telephone services available to income-eligible Maine consumers and supported by federal universal service support funds are not subject to the service provider tax. Effective January 1, 2019.	Charitable	no estimate in MSTER	no estimate in MSTER	1752(14)(B) & 2551(15)(F)
Certain Sales by an Auxiliary Organization of the American Legion	Tax exemption on sales of meals and related items and services by a nonprofit auxiliary organization of the American Legion in connection with a fundraising event, under specified conditions.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(85)
Certain Sales by Civic, Religious or Fraternal Organizations	Sales of prepared food by a civic, religious or fraternal organization at a public or member-only event, except when alcoholic beverages are available for sale at the event.	Charitable	\$34,000	\$33,000	§1760(101)
Certain Veterans' Service Organizations	Sales to an organization that provides services to veterans and their families that is chartered under 36 United States Code, Subtitle II, Part B, and that is recognized as a veterans' service organization by the U.S. Department of Veterans Affairs.	Charitable	\$0 - \$49,999	\$0 - \$49,999	§1760(100)
Certain Veterans' Support Organizations	Sales tax and service provider tax exemption to incorporated nonprofit organizations providing direct supportive services to veterans with service-related post-traumatic stress disorder or traumatic brain injury.	Charitable	\$0- \$49,999	\$0- \$49,999	1760(98) & 2557(37)
Construction Contracts with Exempt Organizations	Tax exemption on sales of tangible personal property to contractors for incorporation in real property for sale to any sales tax exempt organization or government agency.	Charitable	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§1760(61), §2557(31)
Free Publications	Tax exemption on sales of publications purchased for distribution free of charge and sales of printed materials for inclusion in such publications.	Charitable	\$1,744,000	\$1,803,000	§1760(14-A)

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Goods & Services for Seeing Eye Dogs	Tax exemption on sales of tangible personal property and taxable services for the care and maintenance of seeing eye dogs to aid any blind person.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(35)
Meals for Residents of Certain Nonprofit Congregate Housing Facilities	Tax exemption on sales of meals to residents of nonprofit church-affiliated congregate housing facilities for the lower-income elderly.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(6)(D)
Meals Served by a Retirement Facility to its Residents	Tax exemption on sales of meals served by a retirement facility to its residents under specified conditions.	Charitable	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	\$1760(6)(G)
Meals Served by Public or Private Schools	Tax exemption on sales of meals served by schools and school organizations to students and teachers.	Charitable	\$7,385,000	\$7,628,000	\$1760(6)(A)
Meals Served by Youth Camps Licensed by DHHS	Tax exemption on sales of meals served by state-licensed youth camps.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	\$1760(6)(F)
Merchandise Donated from a Retailer's Inventory to Exempt Organizations	Sales tax exemption on donations of merchandise by a retailer to an organization from retailer's inventory (including that which has been returned to a retailer).	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1864
Nonprofit Library Collaboratives	Sales tax and service provider tax exemption for nonprofit collaboratives of academic, public, school and special libraries.	Charitable	\$0- \$49,999	\$0- \$49,999	1760(99) & 2557(38)
Pet Food Assistance Programs	Sales tax exemption for an incorporated nonprofit organization organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets.	Charitable	\$0 - \$49,000	\$0 - \$49,000	\$1760(105)
Portable Classrooms	Tax exemption on sales of tangible personal property to become part of a portable classroom for lease to a school.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(58)
Providing Meals for the Elderly	Tax exemption on sales of meals to nonprofit area agencies on aging to provide meals to the elderly.	Charitable	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	\$1760(6)(C)
Rental of Living Quarters at Schools	Tax exemption on rental charges for living quarters required for attendance at a school.	Charitable	\$19,063,000	\$19,742,000	\$1760(19)
Sales by Schools and School-Sponsored Organizations	Tax exemption on sales by schools and school organizations, provided that sales benefit the school, organization, or a charitable purpose.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	\$1760(64)
Sales of Certain Qualified Snowmobile Trail Grooming Equipment	Tax exemption on sales of snowmobile trail grooming equipment to incorporated snowmobile clubs.	Charitable	\$17,000	\$17,000	1760(90)
Sales Tax Exemption for Area Agencies on Aging	Beginning January 1, 2022, sales to designated area agencies on aging (or other identified agencies) will be exempt from the sales tax.	Charitable	\$125,000	\$129,000	1760(107)
Sales Tax Exemption for Certain Educational Collaboratives	Beginning January 1, 2022, sales to an incorporated nonprofit collaborative whose members are regional school units (and meets other criteria) will be exempt from the sales tax.	Charitable	\$4,000	\$4,000	1760(107)
Sales Tax Exemption for Certain Support Organizations for Combat-injured Veterans	Exempts from sales and use tax the service provider tax for incorporated nonprofit organizations organized for the primary purpose of operating a retreat in the State for combat-injured veterans and their families free of charge. Effective October 1, 2018.	Charitable	\$0 - 49,999	\$0 - 49,999	1760(103) & 2557(39)
Sales Tax Exemption for Nonprofit Cemeteries	Beginning January 1, 2022, sales to a cemetery company that is exempt from federal income tax will be exempt from the sales tax.	Charitable	\$6,000	\$6,000	1760(107)

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Sales Tax Exemption for Nonprofit Heating Assistance Organizations	Exempts from sales and use tax organizations that have been determined by the US IRS to be exempt from taxation under §501(c)(3) of the federal Internal Revenue Code of 1986 and whose primary purpose is to provide residential heating assistance to low-income individuals. Effective October 1, 2018.	Charitable	\$20,000	\$20,000	1760(102)
Sales Tax Exemption for Sales to Nonprofit Organizations	Beginning in 1.1.2025, the law will provide a sales tax exemption for sales to nonprofit organizations that have been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, if the tangible personal property or taxable services sold are to be used primarily for the purposes for which the nonprofit organization was organized.	Charitable	\$9,510,000	\$9,807,000	§1760(11)
Sales Tax Exemption for Watercraft by Certain Nonprofit Transportation Companies	Exemption if company operates pursuant to a written understanding with a municipality that the watercraft will be available at all times to transport emergency medical patients from an island to the mainland.	Charitable	no estimate in MSTER	no estimate in MSTER	1760(26)(A)
Sales to Ambulance Services and Fire Departments	Tax exemption on sales to nonprofit fire departments, ambulance services, and air ambulance services.	Charitable	\$50,000 - \$250,000	\$50,000 - \$250,000	§1760(26), §2557(5)
Sales to any Nonprofit Free Libraries	Tax exemption on sales to nonprofit government-funded free public lending libraries, and sales by the library or a nonprofit established to support the library.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(50), §2557(14)
Sales to Certain Charitable Suppliers of Medical Equipment	Tax exemption on sales to nonprofit charitable organizations that lend medical supplies and equipment free of charge.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(62) & 2557(20)
Sales to Certain Nonprofit Educational Organizations	Tax exemption on sales to State-funded nonprofit educational organizations providing decision making programs about drugs, alcohol and relationships at residential youth camps.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(59) & 2557(19)
Sales to Certain Nonprofit Residential Child Caring Institutions	Tax exemption on sales to State-licensed private nonprofit residential child caring institutions.	Charitable	\$50,000 - \$250,000	\$50,000 - \$250,000	§1760(18-A), §2557(4)
Sales to Child Care Facilities	Tax exemption on sales to licensed nonprofit nursery schools and day care centers.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(43), §2557(9)
Sales to Church Affiliated Residential Homes	Tax exemption on sales to church affiliated nonprofit organizations operating a residential home for adults under charter by the Legislature.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(44) & 2557(10)
Sales to Community Action Agencies, Child Abuse Councils and Child Advocacy Organizations	Sales to nonprofit child abuse and neglect prevention councils, certain child advocacy organizations and community action agencies.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(49), §2557(13)
Sales to Community Mental Health Facilities, Community Adult Developmental Services Facilities and Community Substance Use Disorder Facilities	Tax exemption on sales to community mental health, adult developmental services and substance abuse services facilities.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(28), §2557(6)
Sales to Emergency Shelters & Feeding Organizations	Tax exemption on sales to nonprofit organizations providing free temporary emergency shelter or food to underprivileged individuals.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(47-A), §2557(12)

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Sales to Eye Banks	Tax exemption on sales to nonprofit organizations whose primary purpose is to medically evaluate and distribute eyes for transplantation, research, and education.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(77) & 2557(28)
Sales to Historical Societies & Museums	Tax exemption on sales to certain nonprofit memorial foundations, historical societies, and museums.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(42), \$2557(8)
Sales to Hospice Organizations	Tax exemption on sales to nonprofit hospice organizations.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(55) & 2557(17)
Sales to Hospitals, Research Centers, Churches and Schools	Tax exemption on sales to schools, churches, hospitals, certain nonprofit health and human service organizations, certain research organizations, and educational television and radio stations.	Charitable	\$6,000,000 or more	\$6,000,000 or more	\$1760(16), \$2557(3)
Sales to Monasteries and Convents	Tax exemption on sales of tangible personal property to nonprofit monasteries and convents for use in their operation and maintenance.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(65)
Sales to Nonprofit Animal Shelters	Tax exemption on sales to nonprofit animal shelters of tangible personal property used in the operation and maintenance of the shelter and animal care.	Charitable	\$50,000- 249,999	\$50,000- 249,999	1760(60)
Sales to Nonprofit Home Construction Organizations	Tax exemption on sales to nonprofit organizations that construct low-cost housing for low-income people.	Charitable	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(67), \$2557(23)
Sales to Nonprofit Housing Development Organizations	Tax exemption on sales to nonprofit organizations whose primary purpose is developing housing for low-income people.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	\$1760(72), \$2557(27)
Sales to Nonprofit Rescue Operations	Tax exemption on sales to nonprofit volunteer search and rescue organizations.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(53 & 2557(16)
Sales to Nonprofit Youth Athletic and Scouting Organizations	Tax exemption on sales to nonprofit youth organizations whose primary purpose is to provide athletic instruction, and nonprofit scouting organizations.	Charitable	\$250,000 - \$999,999	\$250,000 - \$999,999	\$1760(56), \$2557(18)
Sales to Organizations that Provide Residential Facilities for Medical Patients	Tax exemption on sales to nonprofit organizations providing temporary residential accommodations to medical patients and their families.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(46) & 2557(11)
Sales to Organizations that Create and Maintain a Registry of Vietnam Veterans	Tax exemption on sales to nonprofit organizations whose sole purpose is to maintain a registry of Vietnam veterans.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(69) & 2557(24)
Sales to Organizations that Fulfill the Wishes of Children with Life-Threatening Diseases	Tax exemption on sales to nonprofit organizations whose sole purpose is to fulfill the wishes of children with life-threatening diseases.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(63) & 2557(21)
Sales to Organizations that Provide Certain Services for Hearing-Impaired Persons	Tax exemption on sales to nonprofit organizations whose primary purpose is to promote understanding of hearing impairment and assist hearing-impaired persons.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(70) & 2557(25)
Sales to Providers of Certain Support Systems for Single-Parent Families	Tax exemption on sales to nonprofit organizations providing support systems for single-parent families.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(66) & 2557(22)
Sales to Regional Planning Agencies	Tax exemption on sales to regional planning commissions and councils of government.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(37) & 2557(7)

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Sales to the State and Political Subdivisions	Tax exemption on sales to the State or federal government or to any political subdivision, agency, or instrumentality of them.	Charitable	\$236,834,000	\$242,965,000	\$1760(2), \$2557(2)
Sales to Veterans' Memorial Cemetery Associations	Tax exemption on sales to nonprofit Veterans' Memorial Cemetery Associations.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(51) & 2557(15)
Self-Help Literature on Alcoholism	Tax exemption on sales of self-help literature on alcoholism to alcoholics anonymous groups.	Charitable	\$0 - \$49,999	\$0 - \$49,999	1760(57)
State and Local Government Exemption from the Special Fuel Tax	Special Fuel Tax exemption for sales to the State or any political subdivision of the State. (Highway Fund)	Charitable	\$1,574,000 , \$180,000	\$1,521,000 , \$174,000	\$3204-A(3)
State and Local Government Exemption from the Gasoline Tax	Gasoline Tax exemption for sales to the State or any political subdivision of the State. (Highway Fund)	Charitable	\$913,000	\$925,000	\$2903(4)(C)
Locally Organized Members of Nonprofit Worldwide Charitable Organizations	Sales tax exemption for a nonprofit community-based worldwide charitable organization that, using private funding, provides financial support to other nonprofit charitable organizations at the community level, including, but not limited to, food banks and homeless or domestic violence shelters, to improve health and education and strengthen financial stability.	Charitable - Other	\$307,000	\$316,000	\$1760(106)
Nonprofit Youth Camps	Sales tax exemption for purchases by nonprofit youth camps as defined in Title 22, section 2491, subsection 16 that are licensed by the Department of Health and Human Services and receive an exemption from property tax under section 652, subsection 1.	Charitable - Youth	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(104)
Deduction for Contributions to Capital Construction Funds for Maintenance or Replacement of Fishing Vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	Conformity with IRC	\$50,000	\$50,000	\$5122(2)(I)
Global Intangible Low-taxed Income Subtraction Modification	Creates a modification in the amount of the global intangible low-taxed income deduction claiming in accordance with federal code.	Conformity with IRC	no estimate in MSTER	no estimate in MSTER	\$5200-A(2)(EE)
Itemized Deductions	Maine generally conforms to itemized deductions allowed by the U.S. Internal Revenue Code with some exceptions.	Conformity with IRC	\$10,380,000	\$11,010,000	\$5125
Sum of All Other Conformity Provisions	Maine generally conforms to exclusions and deduction provisions in the U.S. Internal Revenue Code used to calculate federal adjusted gross income.	Conformity with IRC	\$1,248,695,000 - \$1,347,195,000	\$1,352,435,000 - \$1,449,435,000	\$5102(1-D), \$5162(2)
Net Operating Loss Subtraction Modification	Creates a modification that reserves, for Maine tax purposes, the effects of the new federal limitation on the net operating loss deduction.	Conformity with IRC	no estimate in MSTER	no estimate in MSTER	\$5200-A(2)(BB) reallocated to \$5200-A(2)(GG)
Certain Sales of Electrical Energy	Tax exemption on sale or use of electrical energy, or water stored for generating electricity, to or by a wholly owned subsidiary by or to its parent corporation.	Inputs to Tangible Products	\$250,000 – 999,999	\$250,000 – 999,999	\$1760(91)
Fuel and Electricity Used in Manufacturing	Tax exemption on sales of fuel and electricity (95% of value) purchased for use at a manufacturing facility.	Inputs to Tangible Products	\$27,624,000	\$25,891,000	\$1760(9-D)
Fuel Oil for Burning Blueberry Land	Tax exemption on sales of fuel used to burn blueberry fields.	Inputs to Tangible Products	\$0 - \$49,999	\$0 - \$49,999	1760(9-A)

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Fuel Oil or Coal which Becomes an Ingredient or Component Part	Tax exemption on sales of fuel oil or coal which becomes an ingredient or component part of tangible personal property for later sale.	Inputs to Tangible Products	\$0 - \$49,999	\$0 - \$49,999	1760(9-G)
Machinery and Equipment	Tax exemption on sales of machinery and equipment used in production of tangible personal property for consumption, or in generation of radio and television broadcast signals.	Inputs to Tangible Products	\$29,470,000	\$29,407,000	\$1760(31)
New Machinery for Experimental Research	Tax exemption on sales of machinery and equipment for certain research and development activities, and for biotechnology research.	Inputs to Tangible Products	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(32)
Products Used in Agricultural and Aquacultural Production and Bait	Tax exemption on sales of products used in aquaculture production and bait, commercial agriculture production, and animal agriculture.	Inputs to Tangible Products	\$9,960,000	\$10,040,000	\$1760(7-A), \$1760(7-B), \$1760(7-C)
Property Used in Manufacturing Production	Tax exemption on sales of tangible personal property that is used in the manufacturing production of tangible personal property for later sale or lease.	Inputs to Tangible Products	\$437,993,000	\$443,292,000	\$1760(74)
Refund of Sales Tax on Certain Depreciable Machinery and Equipment	Refund of sales tax paid on electricity or depreciable machinery and equipment purchased for use in commercial agricultural or aquaculture production, fishing, or wood harvesting, or purchases of fuel for use in a commercial fishing vessel.	Inputs to Tangible Products	\$15,980,000	\$16,323,000	\$2013
Sales of Certain Farm Animal Bedding and Hay	Tax exemption on sales of organic bedding materials for farm animals and hay.	Inputs to Tangible Products	\$250,000 - \$999,999	\$250,000 - \$999,999	1760(78)
Seedlings for Commercial Forestry Use	Tax exemption on sales of tree seedlings used in commercial forestry.	Inputs to Tangible Products	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(73)
Certain Aircraft Parts	Tax exemption on sale or use of aircraft parts used by a commercial airline under Federal Aviation Administration (FAA) regulations.	Interstate or Foreign Commerce	\$0 – \$49,999	\$0 – \$49,999	1760(76)
Certain Jet Fuel	Tax exemption on sales of fuel to propel jet engine aircraft.	Interstate or Foreign Commerce	\$7,537,000	\$7,324,000	\$1760(8)(B)
Certain Vehicles Purchased or Leased by Nonresidents	Tax exemption on sale or lease of motor vehicles, semitrailers, aircraft, and camper trailers to nonresidents, if the vehicle is intended to be removed from the State immediately.	Interstate or Foreign Commerce	\$250,000 - \$999,999	\$250,000 - \$999,999	\$1760(23-C)
Certain Vehicles Purchased or Leased by Qualifying Resident Businesses	Tax exemption on sale or lease of certain motor vehicles to a business if the vehicle is intended to be removed from the State immediately and for use exclusively in out of state business.	Interstate or Foreign Commerce	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	\$1760(23-D)
Excise Tax Exemption on Jet or Turbo Jet Fuel - International Flights	Gasoline Tax exemption for gasoline used to propel jet engine aircraft on international flights. (State Transit, Aviation and Rail Fund)	Interstate or Foreign Commerce	\$98,000	\$97,000	\$2903(4)(D)
Exemption for Certain Out-of-state Suppliers of Spirits Sold to the BABLO	A person (corporation, pass-through entity, individual, etc.) domiciled in a state other than Maine that approves, from a location outside Maine, orders of spirits placed by the BABLO or an agent or contractor of BABLO, may not be considered to have sufficient nexus to subject the person to Maine income tax, including the pass-through entity withholding, based solely on certain specified in-state activities.	Interstate or Foreign Commerce	\$735,000	\$770,000	\$5202-D
Gasoline Exported from the State	Gasoline Tax exemption for sales wholly for export from the State. (Highway Fund)	Interstate or Foreign Commerce	\$30,342,000	\$29,261,000	\$2903(4)(A)

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Property Used in Interstate Commerce	Tax exemption on sales of a vehicle, railroad car, aircraft or watercraft used in interstate or foreign commerce, subject to certain restrictions.	Interstate or Foreign Commerce	\$3,000,000 - \$5,999,999	\$3,000,000 - \$5,999,999	§1760(41A)
Refund of Sales Tax on Goods Removed from the State	Refund of sales tax paid on business purchases of supplies and equipment withdrawn from inventory for use at a location in another taxing jurisdiction.	Interstate or Foreign Commerce	\$0 – \$49,999	\$0 – \$49,999	2012
Sale, Use or Lease of Aircraft and Sales of Repair and Replacement Parts	Tax exemption on sales, use or leases of aircraft and sales of aircraft repair and replacement parts from July 1, 2011 to June 30, 2021.	Interstate or Foreign Commerce	\$818,000	\$884,000	§1760(88-A)
Sales of Certain Aircraft	Tax exemption on sales or leases of aircraft that weight over 6,000 pounds, are propelled by turbine engine, or are in use by certain Federal Aviation Administration (FAA) classified operators.	Interstate or Foreign Commerce	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(88)
Sales of Certain Printed Materials	Tax exemption on sales of printed advertising or promotional materials transported outside the State for use outside the State.	Interstate or Foreign Commerce	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§1760(83)
Sales of Property Delivered Outside this State	Tax exemption on sales of tangible personal property delivered outside the State for use outside the State.	Interstate or Foreign Commerce	\$6,000,000 or more	\$6,000,000 or more	§1760(82)
Ships' Stores	Tax exemption on sales of supplies and bunkering oil to ships engaged in interstate or foreign commerce.	Interstate or Foreign Commerce	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(4)
Snowmobiles and All-terrain Vehicles Purchased by Nonresidents	Tax exemption on sales to a nonresident of snowmobiles or all-terrain vehicles.	Interstate or Foreign Commerce	\$50,000- \$249,999	\$50,000-\$249,999	1760(25-C)
Special Fuel Exported from the State	Special Fuel Tax exemption for sales of distillates and low energy fuel to be exported from the State by a licensed supplier. (Highway Fund)	Interstate or Foreign Commerce	\$6,764,000, \$772,000	\$6,676,000, \$762,000	§3204-A(5)
Watercraft Purchased by Nonresidents	Tax exemption on sales to or use by a nonresident of watercraft or materials used in watercraft, subject to certain restrictions.	Interstate or Foreign Commerce	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(25)
Certain Residential Electricity	Tax exemption on sale and delivery of: A. the first 750 kWh of residential electricity per month; B. off-peak residential electricity used for heating via electric thermal storage.	Necessity of Life	\$45,710,000	\$46,020,000	§1760(9-B)
Diabetic Supplies	Tax exemption on sales of equipment and supplies used in diabetes diagnosis or treatment.	Necessity of Life	\$1,608,000	\$1,711,000	§1760(33)
Fuels for Cooking and Heating Homes	Tax exemption on sales of coal, oil, wood and other fuels, except gas and electricity, used for cooking and heating in residential buildings.	Necessity of Life	\$44,680,000	\$43,690,000	§1760(9)
Funeral Services	Tax exemption on sales of funeral services.	Necessity of Life	\$6,849,000	\$7,048,000	§1760(24)
Gas Used for Cooking and Heating in Residences	Tax exemption on sales of gas for use in cooking and heating in residential buildings other than hotels.	Necessity of Life	\$17,544,000	\$18,204,000	§1760(9-C)
Grocery Staples	Tax exemption on sales of grocery staples, which are defined as food products ordinarily consumed for human nourishment.	Necessity of Life	\$183,884,000	\$185,155,000	§1760(3)
Meals Served to Patients in Hospitals and Nursing Homes	Tax exemption on sales of meals to patients of state-licensed hospitals, nursing homes, and certain care facilities.	Necessity of Life	\$9,246,000	\$9,442,000	§1760(6)(B)
Positive Airway Pressure Equipment and Sales	Tax exemption on sale or lease of positive airway pressure equipment and supplies for personal use.	Necessity of Life	\$9,593,000	\$10,092,000	§1760(94)

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
Prescription Drugs	Tax exemption on sales of prescription medicines for humans, excluding marijuana.	Necessity of Life	\$126,010,000	\$130,865,000	\$1760(5)
Prosthetic or Orthotic Devices	Tax exemption on sales of devices to correct or alleviate physical incapacity for a particular individual, including prosthetic aids, hearing aids, and eyeglasses.	Necessity of Life	\$8,231,000	\$8,254,000	\$1760(5-A)
Rental Charges for Living Quarters in Nursing Homes and Hospitals	Tax exemption on rental charges for living or sleeping quarters in state-licensed nursing homes and hospitals.	Necessity of Life	\$6,000,000 or more	\$6,000,000 or more	\$1760(18)
Rental Charges on Continuous Residence for More Than 28 Days	Tax exemption on rental charges for residence for 28 days or more at a hotel, rooming house, or tourist or trailer camp under certain circumstances.	Necessity of Life	\$158,193,000	\$165,733,000	\$1760(20)
Sales Tax Exemption for Menstrual Products	Beginning October 1, 2021, sales of menstrual products will be exempt from sales tax.	Necessity of Life	\$989,000	\$1,032,000	1760(107)
Sales Tax Exemptions for Durable Medical Equipment, Breast Pumps, and Mobility-Enhancing Equipment	Beginning January 1, 2026, the sale, including lease or rental, of durable medical equipment or breast pumps for home use, and mobility-enhancing equipment for home use or use in a motor vehicle, is exempt from sales tax. Amended to include crutches and wheelchairs.	Necessity of Life	Not available	Not available	\$1752(1-L), (1-G), (1-K), (7-F), (8-C), & (11)
Water Used in Private Residences	Tax exemption on sales of water used in residential buildings, other than hotels.	Necessity of Life	\$9,789,000	\$10,032,000	\$1760(39)
Deduction for Affordable Housing	Deduction for income resulting from sale of certified multifamily affordable housing properties. Per Maine Housing, this has been used only three times since its enactment.	Non-Business Incentive	\$45,000	\$45,000	5122(2)(Z)
Dental Care Access Credit	The credit allows five eligible dentists per year to receive a credit against income tax for five years in an escalating amount from \$6,000 per year in the first year to \$18,000 in the fifth year. Credit will sunset on 12.31.37.	Non-Business Incentive	\$66,000	\$26,000	\$5219-DD; \$5219-CCC
Innovation Finance Credit	Refundable tax credit available to the Maine Public Employees Retirement System for capital losses sustained in the Innovation Finance Program administered by the Finance Authority of Maine, which encourages investment in venture capital funds for innovative Maine businesses. Ends in 2029. Per FAME, this has never been utilized.	Non-Business Incentive	*	*	5219-EE
Installment Sale Election	For tax years beginning on or after 1.1.2024, the law provides that interest associated with an installation sale of property for which that election is made by a nonresident individual taxpayer to pay the Maine tax on the gain in the year of the sale or in a subsequent tax year is excluded from Maine taxable income in the year of the election and any subsequent year.	Non-Business Incentive	Not available	Not available	\$5147
Primary Care Access Credit	Tax credit for outstanding student loans available to a limited number of primary care medical professionals who agree to practice in underserved areas of the state for at least 5 years, with limitations.	Non-Business Incentive	\$80,000	\$90,000	5219-LL (relocated from 5219-KK)
Student Loan Payment Subtraction Modification of AGI	A subtraction modification is allowed for a taxpayer who is a qualified health care employee and whose employer pays the employee's student loans directly to a lender.	Non-Business Incentive - Education	\$43,000	\$45,000	5122(2)(QQ) reallocated to 5122(2)(SS)

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
ABLE Savings Account subtraction modification	For tax years beginning on or after Jan 1, 2020, earnings on funds held in qualified Achieving Better Life Experience (ABLE) accounts are deductible in calculating Maine taxable income to the extent the amount is included in federal adjusted gross income.	Non-Business Incentive - Health & Safety	no estimate in MSTER	no estimate in MSTER	§5122(2)(QQ)
Credit for Wellness Programs	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	Non-Business Incentive - Health & Safety	\$0- \$10,000	\$0- \$10,000	§5219-FF
Credit for Disability Income Protection Plans in the Workplace	Tax credit to employers for employees enrolled in disability income protection plans on or after January 1, 2017.	Non-Business Incentive	\$0- \$10,000	\$0- \$10,000	§5219-OO
Employer Support for Volunteer Firefighters and Volunteer Municipal Emergency Medical Services Persons Tax Credit	An employer who permits employees who are volunteer firefighters or volunteer municipal emergency medical services persons to be absent from work for firefighting or emergency response activities without a reduction in pay is eligible for an income tax credit. The credit is equal to the compensation that is paid to the employee at the employee's regular rate of pay while the employee is away from work due to firefighting or emergency response responsibilities during the tax year. The credit may not exceed the tax liability of the taxpayer.	Non-Business Incentives (Various)	\$41,000	\$41,000	§5217-F
Non-Taxable Services	Services, other than specifically defined "Taxable Services," are not subject to Sales and Use Tax.	Non-Taxable Services	no estimate in MSTER	no estimate in MSTER	§1752(11), §1752(17-B)
Access to Justice Income Tax Credit	Enacted to encourage attorneys to practice law in underserved areas of Maine. Up to five eligible attorneys each year from 2022-2027 may be certified.	Specific Policy Goal/Mandate	\$70,000	\$87,500	§219-ZZ
Animal Waste Storage Facility	Tax exemption on sales of materials used in construction, repair or maintenance of an animal waste storage facility, under specified conditions.	Specific Policy Goal/Mandate	\$250,000 - \$999,999	\$250,000 - \$999,999	1760(81)
Battery Energy Storage Systems	Purchases of qualifying battery energy storage systems and all parts and accessories that are integral to such qualifying battery energy storage systems will be eligible for a refund of the sales tax paid on those purchases.	Specific Policy Goal/Mandate	\$2,257,000	\$3,386,000	§2021
Contributions to Education Savings Plans Income Subtraction Modification	A deduction from Federal AGI, equal to contributions made to a qualified tuition plan up to \$1,000 for each designated beneficiary. It may not be claimed by taxpayers whose federal adjusted gross income exceeds \$100,000 if filing single or married filing separately or \$200,000 if married filing jointly or head of household.	Specific Policy Goal/Mandate	\$420,000	\$435,000	§5122(2)(YY)
FAME Nonprofit Student Loan Repayment Program Income Subtraction Modification	For tax years beginning on or after January 1, 2022, to the extent included in federal adjusted gross income, student loan payments made directly to a lender on behalf of the taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State.	Specific Policy Goal/Mandate	\$50,000	\$50,000	§5122(2)(XX)

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
Fish Passage Facilities	Refund of sales or use tax paid on materials used in construction of fish passage facilities in dams, under specified conditions.	Specific Policy Goal/Mandate	\$0 - \$49,999	\$0 - \$49,999	2014
Job Increment Financing Fund - Brunswick Naval Air Station	Reimbursement to SMCC and MRRA of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits) at businesses in the Brunswick Naval Air Station Area.	Specific Policy Goal/Mandate	\$243,000	\$248,000	5 MRS §13083 S-1
Job Increment Financing Fund - Loring	Reimbursement to Loring Development Authority of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits) at businesses in the former Loring Air Force Base area.	Specific Policy Goal/Mandate	\$624,000	\$665,000	5 MRS Ch.383 Art. 1-C
Lincoln Mill Facilities District Bond Interest	Certain bonds issued by the Lincoln Mill Facilities District are, together with interest on and income from the bonds, exempt from all taxes, including Maine income tax.	Specific Policy Goal/Mandate	no estimate in MSTER	no estimate in MSTER	Unallocated
Plastic Bags Sold to Redemption Centers	Tax exemption on sales to a local redemption center of plastic bags used to sort, store or transport returnable beverage containers.	Specific Policy Goal/Mandate	\$0 - \$49,999	\$0 - \$49,999	1760(93)
Sales tax exemption for firearm safety devices	Beginning January 1, 2022, sales of a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms will be exempt from the sales tax.	Specific Policy Goal/Mandate	\$102,000	\$102,000	1760(107)
Sales Tax Exemption for Tribes	Sales to specific Native American tribes in Maine exempted from sales tax. (similar to state government sales tax exemption)	Specific Policy Goal/Mandate	\$0 - \$49,000	\$0 - \$49,000	\$1760(112)
Sales Tax Exemption for Tribal Members	Sales to tribal members that are sourced to tribal lands are exempt from sales tax.	Specific Policy Goal/Mandate	\$50,000 - \$249,999	\$50,000 - \$249,999	\$1760(113)
Sales Tax Exemption Returned to Tribes	Tax revenue attributable to tax collected from sales occurring on tribal lands will be returned to the respective tribes on a monthly basis.	Specific Policy Goal/Mandate	no estimate in MSTER	no estimate in MSTER	\$1815
Sales to Centers for Innovation	Tax exemption on sales to centers for innovation, established by State law, which represent specific industry sectors with significant potential for growth and development.	Specific Policy Goal/Mandate	\$0 - \$49,999	\$0 - \$49,999	1760(84) & 2557(29)
Sales to Tribal Entities	Sales to tribal entities that are sourced to tribal lands are exempt from sales tax.	Specific Policy Goal/Mandate	\$0 - \$49,000	\$0 - \$49,000	\$1760(114)
Service Provider Tax Exemption for Nonprofit Housing Development Organizations	Sales to nonprofit organizations whose primary purpose is to develop housing for low income people are exempt from service provider tax.	Specific Policy Goal/Mandate	\$250,000 - \$999,999	\$250,000 - \$999,999	\$2557(27)
Space Corporation Bond Interest	Certain bonds issued by the Maine Space Corporation are, together with interest on and income from the bonds, exempt from all taxes, including the Maine income tax.	Specific Policy Goal/Mandate	\$0 - \$10,000	\$0 - \$10,000	5 MRSA §13207
Tribal Blueberry Tax Exemption	Wild blueberries grown on tribal land will be exempt from the Blueberry tax.	Specific Policy Goal/Mandate	\$95,000	\$95,000	\$4303-B
Tribal Potato Tax Exemption	Potatoes grown on tribal land will be exempt from the Potato tax.	Specific Policy Goal/Mandate	\$0 - \$49,000	\$0 - \$49,000	\$4605(1-A)
Cannabis Business Expense Modification	Subtraction modification allowing tax deduction for businesses expenses for the cannabis industry that are not allowed under federal tax rules.	Tax Fairness	not in MSTER	not in MSTER	\$5122(2)(PP) & \$5200-A(2)(BB)

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
Certain Loaner Vehicles	Tax exemption on use of a loaner vehicle provided by a new vehicle dealer to a service customer pursuant to warranty.	Tax Fairness	\$250,000 - \$999,999	\$250,000 - \$999,999	§1760(21-A)
Certain Property Purchased Out-of-state	Tax exemption on sales of certain property purchased and used out of state, including automobiles, snowmobiles, ATVs, aircraft, and property brought into the state for use in a declared state disaster or emergency, subject to certain restrictions.	Tax Fairness	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§1760(45)
Certain Returnable Containers	Tax exemption on sales of returnable containers when sold with contents at retail, or when resold for refilling.	Tax Fairness	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§1760(12)
Certain Vehicle Rentals	Tax exemption on rental of an automobile for less than one year when rental is to a service customer pursuant to a warranty and the rental fee is paid by the vehicle dealer or warrantor.	Tax Fairness	\$250,000- \$999,999	\$250,000- \$999,999	1760(92)
Credit to Beneficiary for Accumulation Distribution	Tax credit to a beneficiary of a trust for tax already paid by the trust on the income (when distributed from the trust to the beneficiary).	Tax Fairness	\$0 - \$49,999	\$0 - \$49,999	5214-A
Deduction for Active Duty Military Pay Earned Outside of Maine	Deduction for military pay earned for service performed outside the State.	Tax Fairness	\$2,615,000	\$2,750,000	§5122(2)(LL)
Dependent Exemption Tax Credit	Creates a tax credit equal to \$300 for each qualifying child and dependent for whom the federal child tax credit was claimed for the same taxable year. The credit is nonrefundable. Applicable to tax years beginning on or after January 1, 2018.	Tax Fairness	\$17,820,000	\$17,730,000	§5219-SS
Electricity Used for Net Billing	Tax exemption on sale or delivery of electricity to net energy billing customers for which no money is paid.	Tax Fairness	\$11,222,000	\$12,361,000	1760(80)
Exemptions of the Real Estate Transfer Tax	Real estate tax exemption for certain types of deeds, including deeds to property transferred to or by governmental entities, and certain transfers of property. (General Fund, H.O.M.E. Fund, Housing and Economic Recovery Fund)	Tax Fairness	\$25,630,000	\$26,120,000	§4641-C (General Fund + HOME Fund)
Meals and Lodging Provided to Employees	Tax exemption on meals or lodging provided to employees at the place of employment when credited toward the wages of the employees.	Tax Fairness	\$50,000 - \$249,999	\$50,000 - \$249,999	§1760(75)
Mobile and Modular Homes	Tax exemption on sales of used manufactured housing and sales of new manufactured housing excluding the cost of materials, up to 50% of the sale price.	Tax Fairness	\$6,408,000	\$6,683,000	§1760(40)
Motor Vehicle Fuel	Tax exemption on sales of motor fuels on which motor fuel taxes have been paid.	Tax Fairness	\$184,520,000	\$180,114,000	§1760(8)(A) (Hwy Fund)
Packaging Materials	Tax exemption on sales of packaging materials to businesses engaged in packaging, transporting, shipping, or servicing tangible property.	Tax Fairness	\$20,868,000	\$20,914,000	§1760(12-A)
Railroad Track Materials	Tax exemption on sales of railroad track materials for installation on railroad lines within the State.	Tax Fairness	\$606,000	\$620,000	§1760(52)
Refund of Excise Tax on Fuel Used in Piston Aircraft	Gasoline Tax refund (except four cents per gallon) for gasoline used in propelling piston engine aircraft. (State Transit, Aviation and Rail Fund)	Tax Fairness	\$20,000	\$20,000	2910
Refund of the Gasoline Tax for Off-Highway Use and for Certain Bus Companies	Gasoline Tax refund (except one cent per gallon) for taxes paid on gasoline used in certain off-highway vehicles or in buses primarily offering tax-exempt fares. This gasoline is additionally subjected to Use Tax. (Highway Fund)	Tax Fairness	\$72,000	\$70,000	§2908, §2909

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
Refund of the Special Fuel Tax for Off Highway Use and for Certain Bus Companies	Special Fuel Tax refund (except one cent per gallon) for taxes paid on gasoline used in certain off-highway vehicles or in buses primarily offering tax-exempt fares. This gasoline is additionally subjected to Use Tax. (Highway Fund)	Tax Fairness	\$1,342,000	\$1,334,000	§3215, §3218
Sales to State-Chartered Credit Unions	Tax exemption on sales to State-chartered credit unions.	Tax Fairness	\$0 - \$49,999	\$0 - \$49,999	1760(71) & 2557(26)
Trade-In Credits	Tax exemption on trade-in value for property including motor vehicles, watercraft, aircraft, trailers, truck campers, and other equipment, when traded toward the sale price of a similar item.	Tax Fairness	\$40,215,000	\$40,323,000	§1765
Deduction for Gain on Sales of Eligible Timberlands	A subtraction modification is allowed on the Maine individual income tax return equal to the applicable percentage of the gain from the sale of sustainably managed, eligible timberlands that is included in Federal AGI.	Tax Relief	\$405,000	\$460,000	5122(2)(U)
Deduction for Holocaust Victim Settlement Payments	Deduction for settlement payments received by Holocaust victims.	Tax Relief	\$0- \$10,000	\$0- \$10,000	5122(2)(O)
Family Development Account Proceeds	Individuals whose family income is below 200% of the poverty level may open a family development account in connection with an approved community development organization. Account balances and withdrawals are exempt from Maine individual income tax to the extent included in Federal AGI.	Tax Relief	\$0 - \$10,000	\$0 - \$10,000	10 MRSA §1077
Maine Income Tax Provisions for Certain Indian Tribes and Tribal Members	Income addition and subtraction modifications to exclude from Maine income tax the income and losses of tribal members and their estates on tribal land when the income and losses are derived from or connected with sources on tribal land.	Tax Relief	\$365,000	\$379,000	§5122(1)(PP), §5122(2)(XX)
Military Annuity Payments Made to Survivor	To the extent included in Federal AGI, annuity payments made to the survivor of a deceased member of the military who died as a result of service in active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard under a survivor benefit plan or reserve component survivor benefit plan pursuant to 10 U.S. Code Chapter 73 are exempt from Maine income tax. The military survivor benefits subtraction modification is reduced by the amount of benefits claimed as a pension income deduction under 36 M.R.S. § 5122(2)(M-2).	Tax Relief	\$270,000	\$285,000	5122(2)(HH)
Municipal Property Tax Benefits for Senior Citizens	A municipality by ordinance, may adopt a program that permits claimants who are at least 60 years of age to earn benefits up to a maximum \$1000 by volunteering to provide services to the municipality. The amount of benefits received during the tax year are exempt from Maine individual income tax.	Tax Relief	\$10,000	\$10,000	5122(2)(EE)
Adult Dependent Care Credit	Tax credit equal to 5% – 8.75% of adult dependent care expenses paid for adult day care, hospice services and respite care during the taxable year to the extent the expenses are not used to calculate the federal child and dependent care credit.	Tax Relief - Individuals	\$17,500	\$18,000	§5218-A

Expenditure Program Name	Brief Description	Tax policy goal/rationale	FY26 Revenue Loss Estimate*	FY27 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified
FAME "COVID-19" Loan Guarantee Program deferred interest exemption	The FAME loan guarantee program enacted by PL 2019, c. 617, Pt. I §2 (10 MRSA §§1100-BB through 1100-GG) includes a subsection which makes deferred or cancelled interest exempt from all State taxes.	Tax Relief - Individuals	no estimate in MSTER	no estimate in MSTER	10 §1100-DD(6)
Certain Telecommunications Services	Tax exemption on sales of interstate and international telecommunications services.	Tax Relief- Targeted Industry	\$1,000,000 – \$2,999,999	\$1,000,000 – \$2,999,999	\$2557(33), \$2557(34)
Refund on Sales Tax on Purchases of Parts and Supplies for Windjammers	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair, or maintenance of a windjammer providing commercial cruises.	Tax Relief- Targeted Industry	\$50,000 – 249,999	\$50,000 – 249,999	\$2020
Income Subtraction Modification for Capital Gain on Sale or Transfer of Business to Cooperative Affordable Housing Corporation	For tax years beginning on or after January 1, 2025, to the extent included in federal adjusted gross income (for individuals) or federal taxable income (for corporations) and otherwise subject to Maine income tax, up to \$750,000 of gain recognized on the sale of a majority ownership interest in a qualified business is deductible in calculating Maine taxable income. The qualified business must provide housing and be transferred to a cooperative affordable housing corporation, or a municipal housing authority, or an affiliate of a municipal housing authority.	Tax Relief- Individuals	\$76,000 (fiscal note)	\$76,000 (fiscal note)	§5122(2)(AAA) & §5200-A(2)(JJ)

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