

The Maine View

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A Taxpayer Bill of Rights: The Cure for Maine's High Taxes

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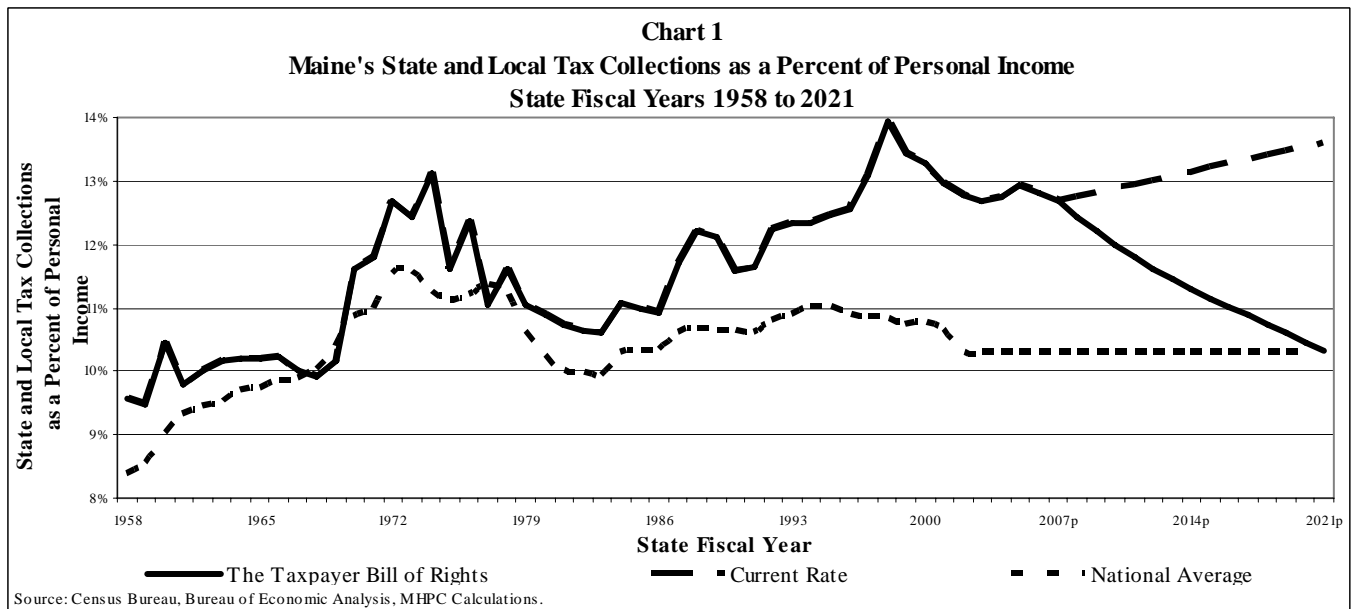
by J. Scott Moody, M.A.

An Act to Create a Taxpayer Bill of Rights will be on the November 2006 Maine ballot. Voters will decide whether or not to reign in state and local governmental spending by enacting a predetermined growth allowance. From a tax perspective, this restraint is important because spending is the locomotive for the tax train. In other words, spending determines taxes.

Analyses show that Maine's level of taxation has reached unsustainable heights. As a percent of income, not only were Maine's state and local government tax collections a whopping 24.2 percent higher than the national average in FY 2002, but the trend-line shows a widening disparity between Maine and the national average.

This study examines how the Maine Taxpayer Bill of Rights will arrest, and then reverse, the climb of taxes in Maine over the next 15 years up to 2021. The study assumes that the Maine Taxpayer Bill of Rights goes into effect in FY 2008; is enacted per the exact wording of the ballot initiative; that the growth allowances are not changed; and that other major factors, such as social, economic and government, remain constant. Key findings include:

- Maine's state and local taxes as a percent of personal income are at such a high level that, even under the Maine Taxpayer Bill of Rights, Maine's taxes will not fall to the national average (10.3 percent of personal income) until FY 2021.
- Maine's ranking of state and local taxes as a percent of personal income will fall under the Maine Taxpayer Bill of Rights to number 19 by FY 2021 from number 2 in FY 2006.
- Maine's state and local tax collections grow from approximately \$5.6 billion in FY 2006 to \$8.7 billion in FY 2021—an average annual increase of nearly \$207 million (3.5 percent).
- High tax states, such as Maine, are at a great competitive economic disadvantage vis-à-vis their peer states. [1]
- Maine's municipalities collectively grow almost \$63 million per year (2.7 percent) between FY 2008 and FY 2021—almost \$39 million (2.8 percent) for education and over \$24 million (2.5 percent) for all other local spending.
- This study questions LD 1's ability to meet the statutory provision to lower Maine's tax burden rank to the middle 1/3 of all states by 2015.



What is the Maine Taxpayer Bill of Rights?

The Maine Taxpayer Bill of Rights includes both spending and tax growth allowances based on a well defined formula.[2] A portion of surplus tax collections above the growth allowance are diverted to a budget stabilization fund (20 percent) and the remainder (80 percent) is returned to the taxpayers as either a tax rebate, or a reduction in tax rates.

The state government growth allowance is based on the change in state population plus the inflation rate, determined by the Consumer Price Index (CPI). The growth allowances for local governments are calculated under two separate formulas. First, the school budget growth allowance is determined by taking the percent change in school enrollment and adding that number to the inflation rate. The second half of the municipal spending growth equation is determined by taking the lesser of either the percent change in property valuations, or the percent change in population, and adding that amount to the inflation rate.

Basically, the growth allowance ensures that government grows at the same rate as the population it is serving, at a state, local or school level, plus the rate of inflation.

Exceeding the growth allowance requires a two-thirds majority vote of the governing body and a majority vote of the citizens. Additionally, the Maine Taxpayer Bill of Rights requires any tax increase to meet the same voting requirements. This distinction is important. For example, suppose the state is facing a growth allowance of 3 percent and tax revenue growth of 5 percent. If lawmakers wanted to spend all 5 percent, they would be required to vote a single time, according to the 2/3 supermajority voting provision, and then the increase must gain a majority vote of the citizens. However, suppose the growth allowance and tax revenue growth were both at 3 percent, but lawmakers want to spend 5 percent, requiring a tax increase to raise the additional revenue. In this case, the governing body would have to meet two 2/3 supermajority votes and two majority votes of the citizens—once to exceed the growth allowance, and another in order to raise taxes. Both votes could occur on the same ballot.

The budget stabilization fund was designed to meet the rare circumstances when tax revenue falls below the growth allowance. Funds can be transferred from the budget stabilization fund to offset a shortfall in tax revenue. For example, suppose the state is facing a shortfall of \$100 million brought on by the growth allowance amounting to 3 percent and tax revenue growth of -1 percent. The \$100 million could be transferred from the budget stabilization fund to meet the shortfall. The budget stabilization fund provides policymakers with another policy alternative to raising taxes in order to meet revenue shortfalls. This mechanism is an improvement over previous versions of the Taxpayer Bill of Rights such as the one in Colorado.

Maine's State and Local Tax Collections under the Maine Taxpayer Bill of Rights

Assuming current trends in tax collections hold, the level of taxation will continue to rise as a percent of Mainer's personal income, as shown in Chart 1. The enactment of the Maine Taxpayer Bill of Rights will reverse this ominous trend.

In order to forecast the tax impact of the Maine Taxpayer Bill of Rights, a number of assumptions are necessary: the Maine Taxpayer Bill of Rights will be in effect in FY 2008; be enacted per the exact wording of the ballot initiative; that the growth allowances will not be changed; and that main factors, such as social, economic and government, remain constant.

Table 1 shows the historical growth in S&L tax collections as a percent of income from FY 1958 to FY 2002. The average annual growth rate of S&L tax collections as a percent of income was 0.6 percent. Resulting from this growth, S&L tax collections as a percent of income grew 33 percent—to 12.8 percent in FY 2002 from 9.6 percent in FY 1958.

Table 2 shows the forecasted growth in S&L tax collections as a percent of income from FY 2003 to FY 2021 under the Maine Taxpayer Bill of Rights. As a result of reasonable growth allowances, the average annual growth rate of S&L tax collections as a percent of income will be -1.1 percent. S&L tax collections as a percent of income will shrink 18.9 percent—to 10.3 percent in FY 2021 from 12.7 percent in FY 2003—**causing Maine to reach the current national average for the first time since FY 1977, a hiatus of 44 years.**

Chart 2 shows the annual change of nominal S&L tax collections. Between FY 1958 and FY 2002, the average annual growth rate of S&L nominal tax collections was 8.1 percent. However, with the Maine Taxpayer Bill of Rights, the average annual growth rate of S&L nominal tax collections between FY 2003 and FY 2021 is a much reduced 3.5 percent. Even with the lower growth rate, this growth translates into an average of nearly **\$207 million in additional state and local spending per year.**

Maine's State and Local Tax Rank under the Taxpayer Bill of Rights

Using data from the U.S. Census Bureau and Bureau of Economic Analysis, Chart 3 plots Maine's S&L tax collections as a percent of income ranked against the other 49 states. In FY 1998, Maine took the dubious distinction of having the highest level of taxation in the nation. Since FY 1998, Maine has not fared any better, settling into the number 2 spot year after year.

Table 1
Maine's Historical State and Local Tax Collections
State Fiscal Years 1958 - 2002
Dollars in Thousands

State Fiscal Year	National State and Local Tax Collections as a Percent of Personal Income	State and Local				State			Local		
		Total	Year-over-Year Percent Growth	Percent of Personal Income	Rank	Total	Year-over-Year Percent Growth	Percent of Personal Income	Total	Year-over-Year Percent Growth	Percent of Personal Income
1958*	8.4%	\$157,662		9.6%	13	\$78,762		4.8%	\$78,900		4.8%
1959	8.6%	\$162,265	2.9%	9.5%	19	\$81,165	3.1%	4.7%	\$81,100	2.8%	4.7%
1960*	9.0%	\$188,429	16.1%	10.5%	9	\$86,929	7.1%	4.8%	\$101,500	25.2%	5.6%
1961	9.3%	\$182,173	-3.3%	9.8%	20	\$90,073	3.6%	4.8%	\$92,100	-9.3%	4.9%
1962	9.5%	\$191,337	5.0%	10.0%	18	\$93,387	3.7%	4.9%	\$97,950	6.4%	5.1%
1963	9.5%	\$201,574	5.4%	10.2%	15	\$97,774	4.7%	4.9%	\$103,800	6.0%	5.2%
1964	9.7%	\$213,867	6.1%	10.2%	19	\$109,667	12.2%	5.2%	\$104,200	0.4%	5.0%
1965	9.7%	\$231,535	8.3%	10.2%	19	\$117,735	7.4%	5.2%	\$113,800	9.2%	5.0%
1966	9.9%	\$248,788	7.5%	10.2%	23	\$127,988	8.7%	5.3%	\$120,800	6.2%	5.0%
1967	9.9%	\$257,424	3.5%	10.0%	25	\$132,524	3.5%	5.1%	\$124,900	3.4%	4.8%
1968	10.0%	\$270,545	5.1%	9.9%	25	\$146,145	10.3%	5.3%	\$124,400	-0.4%	4.6%
1969*	10.4%	\$301,321	11.4%	10.2%	26	\$158,221	8.3%	5.3%	\$143,100	15.0%	4.8%
1970*	10.9%	\$377,715	25.4%	11.6%	14	\$207,615	31.2%	6.4%	\$170,100	18.9%	5.2%
1971	11.0%	\$415,650	10.0%	11.8%	12	\$232,150	11.8%	6.6%	\$183,500	7.9%	5.2%
1972	11.5%	\$483,959	16.4%	12.7%	7	\$276,459	19.1%	7.2%	\$207,500	13.1%	5.4%
1973*	11.6%	\$528,745	9.3%	12.4%	7	\$303,645	9.8%	7.1%	\$225,100	8.5%	5.3%
1974*	11.3%	\$625,547	18.3%	13.1%	4	\$336,347	10.8%	7.0%	\$289,200	28.5%	6.1%
1975*	11.1%	\$605,115	-3.3%	11.6%	9	\$369,015	9.7%	7.1%	\$236,100	-18.4%	4.5%
1976	11.2%	\$718,465	18.7%	12.4%	8	\$530,565	43.8%	9.1%	\$187,900	-20.4%	3.2%
1977	11.4%	\$716,522	-0.3%	11.0%	19	\$468,462	-11.7%	7.2%	\$248,060	32.0%	3.8%
1978	11.2%	\$826,676	15.4%	11.6%	13	\$527,396	12.6%	7.4%	\$299,280	20.6%	4.2%
1979	10.6%	\$875,057	5.9%	11.1%	17	\$553,769	5.0%	7.0%	\$321,288	7.4%	4.1%
1980*	10.3%	\$965,543	10.3%	10.9%	12	\$619,160	11.8%	7.0%	\$346,383	7.8%	3.9%
1981*	10.0%	\$1,062,612	10.1%	10.7%	13	\$674,316	8.9%	6.8%	\$388,296	12.1%	3.9%
1982*	10.0%	\$1,152,869	8.5%	10.6%	13	\$727,979	8.0%	6.7%	\$424,890	9.4%	3.9%
1983	10.0%	\$1,240,012	7.6%	10.6%	12	\$780,052	7.2%	6.7%	\$459,960	8.3%	3.9%
1984	10.3%	\$1,420,538	14.6%	11.1%	12	\$920,273	18.0%	7.2%	\$500,265	8.8%	3.9%
1985	10.3%	\$1,545,328	8.8%	11.0%	12	\$1,005,216	9.2%	7.2%	\$540,112	8.0%	3.8%
1986	10.4%	\$1,659,782	7.4%	10.9%	12	\$1,101,381	9.6%	7.2%	\$558,401	3.4%	3.7%
1987	10.6%	\$1,931,357	16.4%	11.7%	7	\$1,288,480	17.0%	7.8%	\$642,877	15.1%	3.9%
1988	10.7%	\$2,207,217	14.3%	12.2%	6	\$1,505,523	16.8%	8.3%	\$701,694	9.1%	3.9%
1989	10.6%	\$2,385,169	8.1%	12.1%	5	\$1,590,423	5.6%	8.1%	\$794,746	13.3%	4.0%
1990*	10.6%	\$2,423,966	1.6%	11.6%	9	\$1,560,869	-1.9%	7.5%	\$863,097	8.6%	4.1%
1991*	10.6%	\$2,510,360	3.6%	11.7%	9	\$1,558,231	-0.2%	7.2%	\$952,129	10.3%	4.4%
1992	10.8%	\$2,707,735	7.9%	12.2%	6	\$1,670,488	7.2%	7.5%	\$1,037,247	8.9%	4.7%
1993	10.9%	\$2,824,806	4.3%	12.3%	7	\$1,763,941	5.6%	7.7%	\$1,060,865	2.3%	4.6%
1994	11.0%	\$2,914,862	3.2%	12.3%	8	\$1,764,588	0.0%	7.5%	\$1,150,274	8.4%	4.9%
1995	11.0%	\$3,060,691	5.0%	12.5%	5	\$1,812,574	2.7%	7.4%	\$1,248,117	8.5%	5.1%
1996	10.9%	\$3,231,393	5.6%	12.5%	5	\$1,896,564	4.6%	7.4%	\$1,334,829	6.9%	5.2%
1997	10.8%	\$3,554,711	10.0%	13.1%	3	\$2,019,491	6.5%	7.4%	\$1,535,220	15.0%	5.7%
1998	10.8%	\$4,012,318	12.9%	13.9%	1	\$2,369,820	17.3%	8.2%	\$1,642,498	7.0%	5.7%
1999	10.7%	\$4,082,369	1.7%	13.4%	2	\$2,540,581	7.2%	8.4%	\$1,541,788	-6.1%	5.1%
2000	10.8%	\$4,262,142	4.4%	13.3%	2	\$2,661,080	4.7%	8.3%	\$1,601,062	3.8%	5.0%
2001*	10.7%	\$4,420,465	3.7%	12.9%	2	\$2,668,938	0.3%	7.8%	\$1,751,527	9.4%	5.1%
2002	10.3%	\$4,541,146	2.7%	12.8%	2	\$2,626,830	-1.6%	7.4%	\$1,914,316	9.3%	5.4%
Average Annual Increase	0.5%	\$97,411	7.8%	0.6%	--	\$56,624	8.1%	1.0%	\$40,787	7.3%	0.3%

Note: "*" on year denotes recessionary quarter(s).

Source: Census Bureau, Bureau of Economic Analysis, MHPC Calculations.

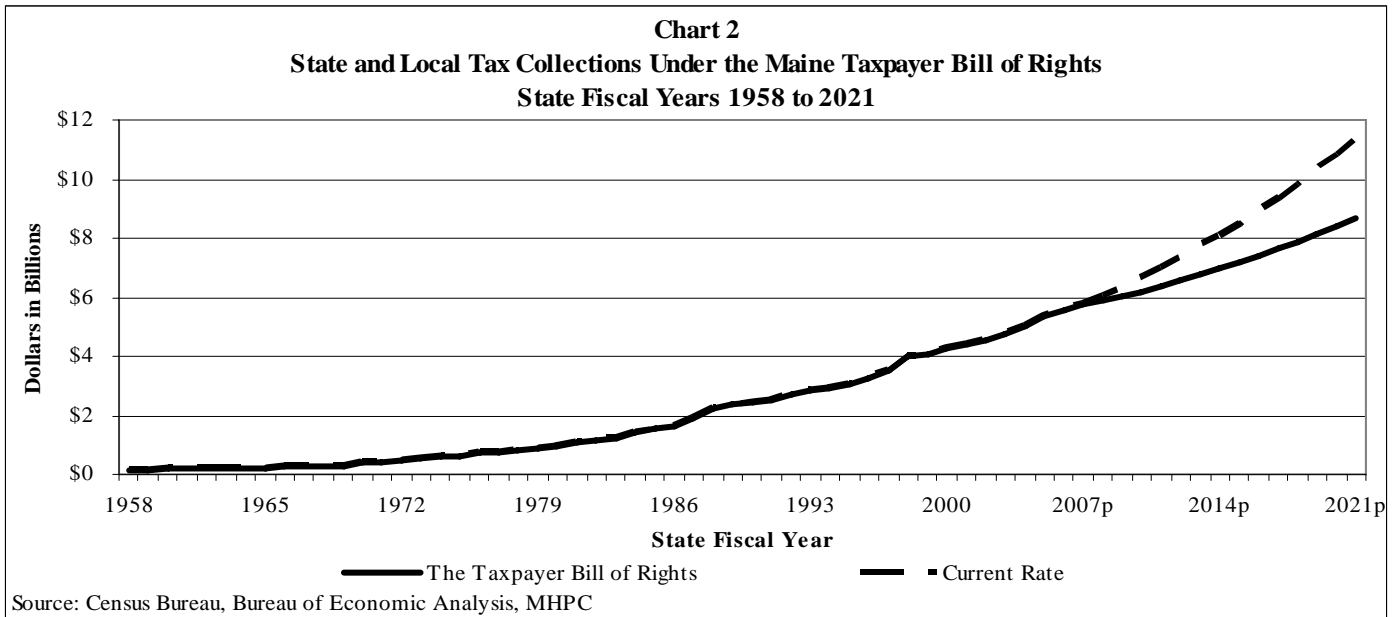


Table 2
Maine's Projected State and Local Tax Collections Under the Maine Taxpayer Bill of Rights (Effective FY 2008)
State Fiscal Years 2002 - 2021
Dollars in Thousands

State Fiscal Year	Goal: National State and Local Tax Collections as a Percent of Personal Income (a)	State and Local				State (b)			Local		
		Total	Year-over-Year Percent Growth	Percent of Personal Income	Rank	Total	Year-over-Year Percent Growth	Percent of Personal Income	Total	Year-over-Year Percent Growth	Percent of Personal Income
2003p	10.3%	\$4,733,224	4.2%	12.7%	2	\$2,697,275	2.7%	7.2%	\$2,035,949	6.4%	5.5%
2004p	10.3%	\$5,035,982	6.4%	12.7%	2	\$2,896,759	7.4%	7.3%	\$2,139,223	5.1%	5.4%
2005p	10.3%	\$5,335,404	5.9%	12.9%	2	\$3,071,161	6.0%	7.4%	\$2,264,243	5.8%	5.5%
2006p	10.3%	\$5,552,959	4.1%	12.8%	2	\$3,245,056	5.7%	7.5%	\$2,307,903	1.9%	5.3%
2007p	10.3%	\$5,739,537	3.4%	12.7%	2	\$3,360,282	3.6%	7.4%	\$2,379,256	3.1%	5.3%
2008 (TABOR)	10.3%	\$5,884,431	2.5%	12.4%	2	\$3,473,838	3.4%	7.3%	\$2,410,593	1.3%	5.1%
2009 (TABOR)	10.3%	\$6,038,690	2.6%	12.2%	2	\$3,590,515	3.4%	7.3%	\$2,448,174	1.6%	4.9%
2010 (TABOR)	10.3%	\$6,201,968	2.7%	12.0%	2	\$3,710,596	3.3%	7.2%	\$2,491,372	1.8%	4.8%
2011 (TABOR)	10.3%	\$6,375,873	2.8%	11.8%	4	\$3,833,837	3.3%	7.1%	\$2,542,036	2.0%	4.7%
2012 (TABOR)	10.3%	\$6,562,992	2.9%	11.6%	4	\$3,960,218	3.3%	7.0%	\$2,602,774	2.4%	4.6%
2013 (TABOR)	10.3%	\$6,760,998	3.0%	11.5%	5	\$4,089,609	3.3%	6.9%	\$2,671,389	2.6%	4.5%
2014 (TABOR)	10.3%	\$6,967,271	3.1%	11.3%	5	\$4,221,870	3.2%	6.8%	\$2,745,401	2.8%	4.5%
2015 (TABOR)	10.3%	\$7,185,527	3.1%	11.1%	6	\$4,356,901	3.2%	6.8%	\$2,828,626	3.0%	4.4%
2016 (TABOR)	10.3%	\$7,415,497	3.2%	11.0%	6	\$4,494,802	3.2%	6.7%	\$2,920,694	3.3%	4.3%
2017 (TABOR)	10.3%	\$7,653,133	3.2%	10.9%	12	\$4,635,299	3.1%	6.6%	\$3,017,834	3.3%	4.3%
2018 (TABOR)	10.3%	\$7,896,745	3.2%	10.7%	12	\$4,778,263	3.1%	6.5%	\$3,118,482	3.3%	4.2%
2019 (TABOR)	10.3%	\$8,146,167	3.2%	10.6%	13	\$4,923,550	3.0%	6.4%	\$3,222,618	3.3%	4.2%
2020 (TABOR)	10.3%	\$8,401,659	3.1%	10.5%	16	\$5,071,306	3.0%	6.3%	\$3,330,353	3.3%	4.1%
2021 (TABOR)	10.3%	\$8,663,787	3.1%	10.3%	19	\$5,221,486	3.0%	6.2%	\$3,442,301	3.4%	4.1%
Average Annual Increase	--	\$206,872	3.5%	-1.1%	--	\$132,853	3.7%	-0.8%	\$74,019	3.1%	-1.5%

(a) Held constant.
(b) State Tax Collections for FY 2003, 2004 and 2005 are actual not projected.
Source: Census Bureau, Bureau of Economic Analysis, MHPC Calculations.

Maine’s S&L tax collections as a percent of personal income are so far above the national average that Maine’s rankings do not appreciably change under the Taxpayer Bill of Rights until after 2017. In fact, in FY 2002 there is an 8 percent gap between number 2 ranked Maine and the number 3 and 4 ranked states Wyoming and Hawaii. The percentage gap widens to a 17 percent gap from number 10 ranked state New Mexico, and a 26 percent gap from number 25 ranked Arizona.

As a result, Maine does not start significantly falling in the rankings until the tenth year under the Maine Taxpayer Bill of Rights. In FY 2017 Maine’s ranking will fall modestly to number 12 from number 6. As Maine starts to close in on the national average, movement in the rankings become more significant. By FY 2021, Maine sheds another 7 places to rank at number 19.

The Maine Taxpayer Bill of Rights is Economic Development

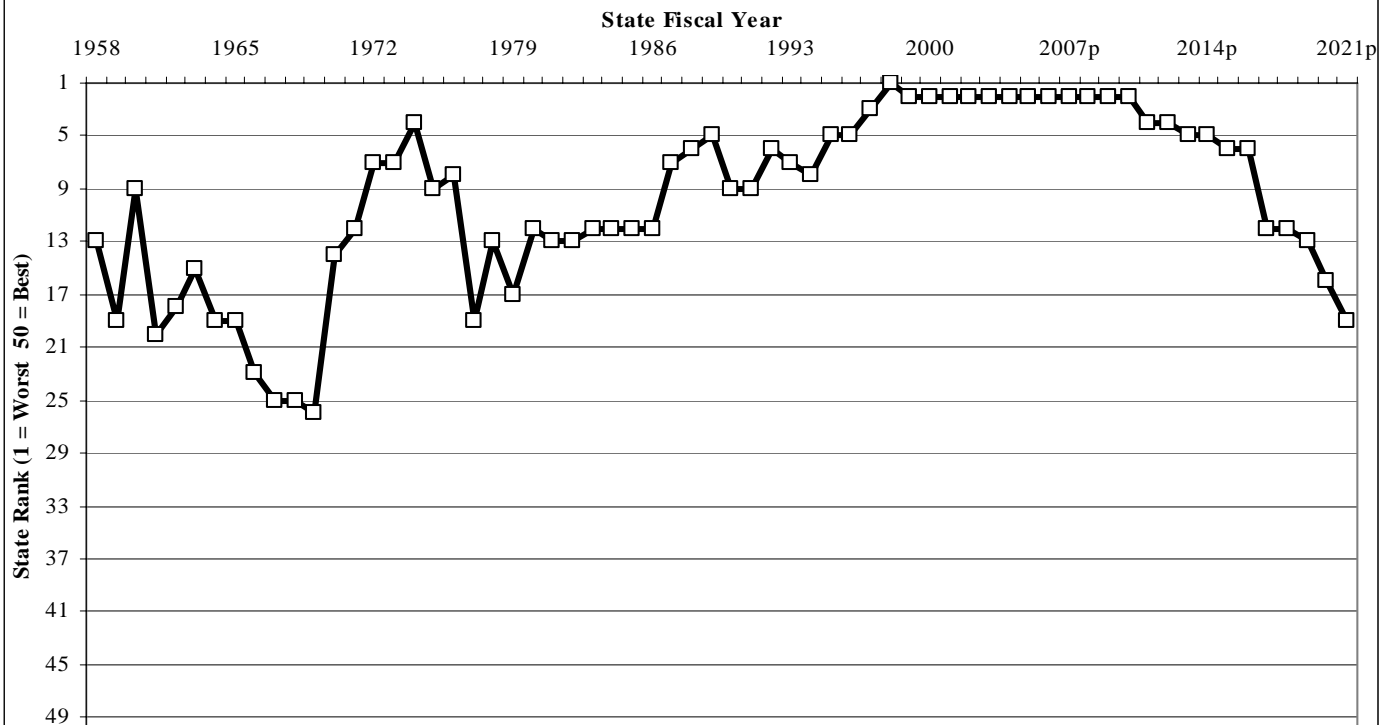
In his extensive review of the academic literature on taxation and economic development, Professor Michael Wasylenko, Professor of Economics, Senior Associate Dean for Academic Administration for the Maxwell School, CPR Senior Research

Associate at Syracuse University concluded that:

“This review of the literature suggests that taxes have a small, statistically significant effect on interregional location behavior. The suggested estimate of the interregional elasticity is -0.2. However, all elasticity estimates must be viewed in context of the state and its fiscal position vis-à-vis other states. The effect of a specific state’s taxes depends not only on elasticity, but also on the extent to which the state’s overall (state and local) tax levels are significantly different from the average of the states it competes against. *A large deviation from the average tax level, multiplied by the tax elasticity, will yield a large, location, employment and investment effect.*” [1] (emphasis added)

Maine’s business and economic climate is seriously handicapped with S&L tax collections as a percent of personal income 24.2 percent above the national average in FY 2002—second only to New York’s 27.2 percent above the national average. Following Wasylenko’s conclusion, Maine is leaving a lot of economic development money on the table. The Maine Taxpayer Bill of Rights will put Maine on a path of sustained reduction in tax levels. The Maine Taxpayer Bill of Rights is an important, and effective, economic development tool. **For**

**Chart 3
Maine's State and Local Tax Rank Under the Maine Taxpayer Bill of Rights
State Fiscal Years 1958 to 2021**



Source: Census Bureau, Bureau of Economic Analysis, MHPC Calculations.

Maine taxpayers this not only means lower tax bills, but also higher incomes and more jobs.

To put Maine's high level of taxation in perspective, Chart 4 and Chart 5 plot the deviation of the 50 states from the national average. Chart 4 shows the distribution of states in FY 2002 with the national average at 10.3 percent—states to the right are above the national average while states to the left are below the national average. New York has the largest deviation at 2.8 percentage points above the national average (27.2 percent) while Maine is close behind at 2.5 percentage points above the national average (24.2 percent) percent. On the flip side, Tennessee has the largest deviation at 2 percentage points below the national average (-19.4 percent) with Maine's neighbor, New Hampshire, close behind at 1.9 percentage points below the national average (-18.4 percent).

However, as shown in Chart 5, the national average of S&L tax collections as a percent of income is a moving target. Chart 5 compares the distribution of states around the national average in FY 1958 and FY 2002. Since FY 1958, the national average increased by 22.6 percent to 10.3 percent from 8.4 percent. Although many today would view a state like New Hampshire's level of taxation as extremely low at 8.4 percent, in FY 1958, New Hampshire would have merely been at the national average. In FY 1958, the state with the lowest level of taxation was Delaware at 6.1 percent—New Hampshire was at 7.9 percent. On the other hand, in FY 1958, Vermont had the highest level of taxation at 11.7 percent. In FY 1958, Maine was much closer, though still higher than the national average, at 9.6 percent.

Finally, Chart 5 may provide an answer for why the academic literature, as reviewed by Dr. Wasylenko, has such a tough time finding large tax effects on the economy—state tax competition. In FY 1958, there were 26 states within a 1 percentage point deviation (plus or minus) from the national average. In FY 2002, there were 38 states within a 1 percentage point deviation (plus or minus) from the national average—an increase of 46 percent. Such a large clustering of states is evidence that policymakers are aware that taxes matter to economic development. And that being a high tax outlier state, such as Maine, is a serious concern.

Counties and Municipalities under the Maine Taxpayer Bill of Rights

Table 4 shows the growth allowances by county under the Maine Taxpayer Bill of Rights. Since counties are primarily funded by municipalities, the county summaries shown are the summation of municipal growth allowances. Due to space constraints, municipal summaries are not included in the printed report. However, they are posted on the Maine Heritage Policy Center's website: www.mainepolicy.org.

Table 4 shows that Maine's local governments will cumula-

tively have a nominal growth allowance of nearly \$63 million per year (2.7 percent average growth rate) between FY 2008 and FY 2021. This growth allowance breaks down to nearly \$39 million per year (2.8 percent average growth rate) for education and over \$24 million (2.5 percent average growth rate) for all other local spending.

However, at the municipal level there is a much greater variance of growth allowances ranging from the 195 municipalities that will see an average annual growth allowance greater than 3 percent, to the 14 municipalities that will have an average annual growth allowance less than -3 percent. Overall, 440 municipalities will have a positive average annual growth allowance (representing 96.3 percent of the population in 2006), and 48 municipalities will have a negative average annual growth allowance (representing 3.7 percent of the population in 2006).

The municipal average annual growth allowances are shown geographically in Map 1. Those municipalities with the highest positive annual growth allowances (greater than 3 percent) are predominantly located in the southwestern part of the state (south and west of Augusta). On the other hand, those municipalities with most negative annual growth allowance (below -3 percent) are predominantly located in the northeastern part of the state (north and east of Augusta).

Naturally, many of the differences in growth allowances result from Maine's extreme demographic challenges—especially the internal population migration away from the economically struggling north to the more economically vibrant south, and the state-wide drop in school enrollments. The demographic shifts highlight the need for the Maine Taxpayer Bill of Rights as it will force local governments to reexamine and reduce their current level of spending and taxation. In the long run, the lower level of taxation will bring businesses and people back. In contrast, the status quo will only lead to the creation of ghost towns—for example, Centerville deorganized in 2004.

LD 1 versus the Maine Taxpayer Bill of Rights

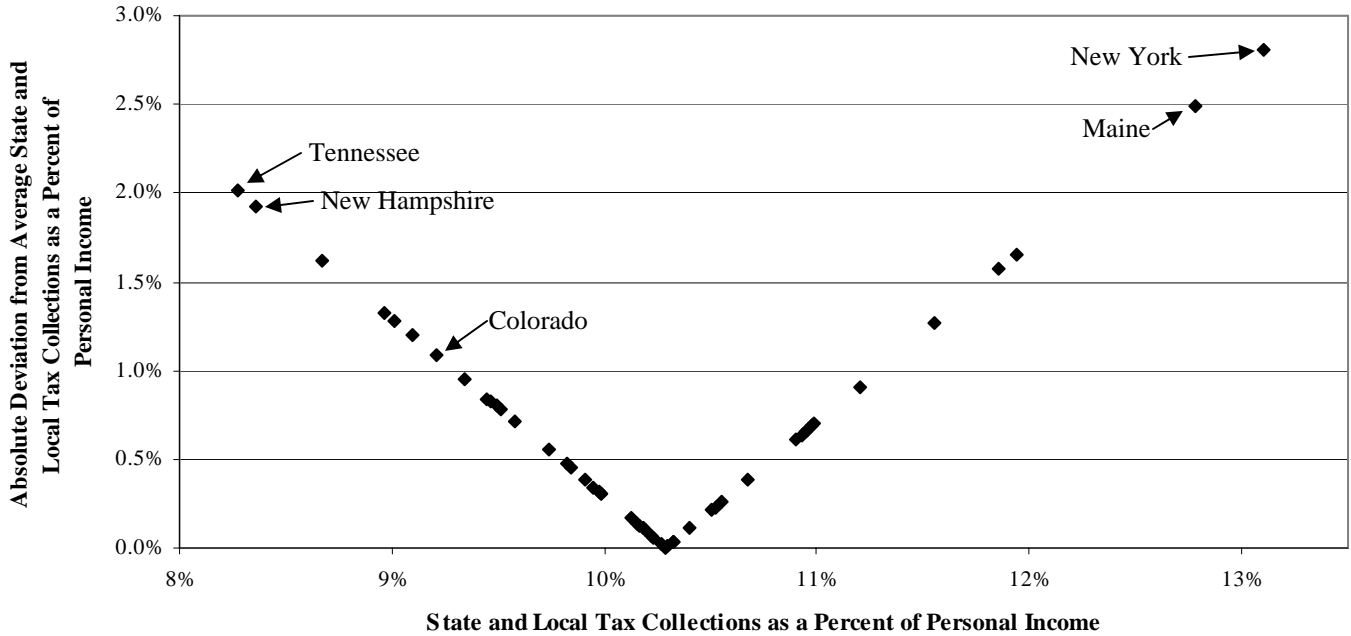
From LD 1:

"It is the goal and policy of the State that by 2015 the State's total state and local tax burden be ranked in the middle 1/3 of all states, as determined by the United States Census Bureau's most recent tax burden analysis, adjusted by the assessor to reflect the State's unique expenditure tax relief programs." [3]

This analysis casts doubt that LD 1 will be able to fulfill its statutory duty of lowering Maine's state and local tax burden to the "middle 1/3 of all states" by 2015 for several reasons:

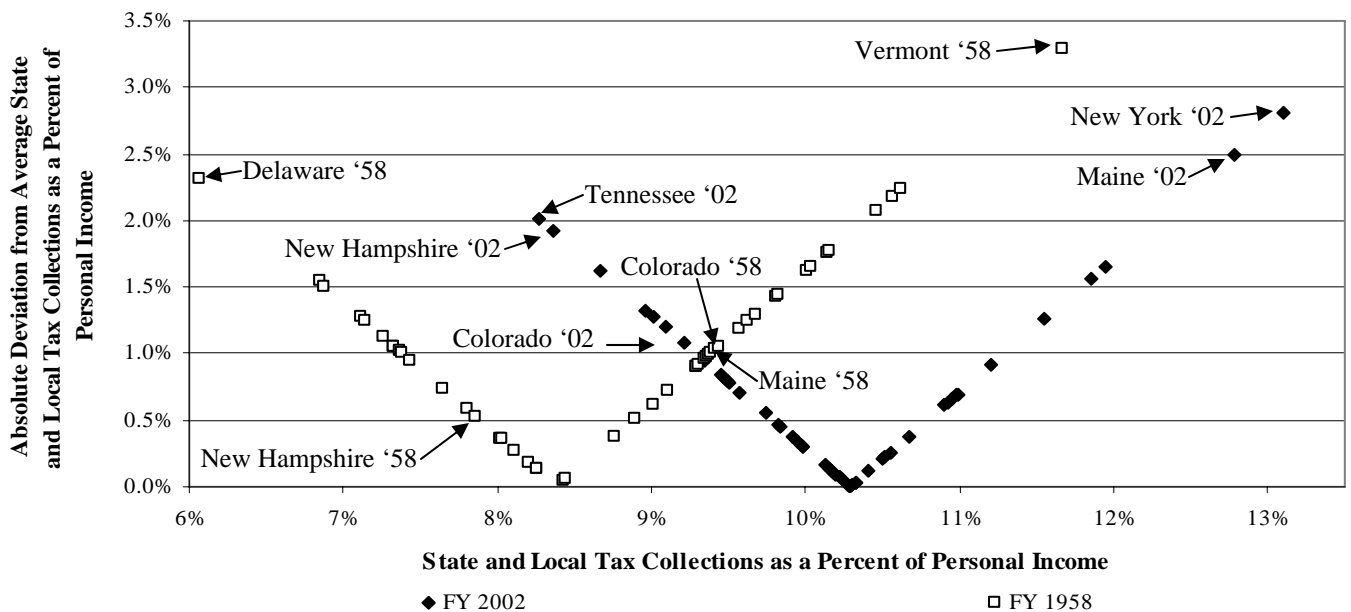
1. The level of taxation to be considered "in the middle 1/3 of all states" in FY 2002 began at 10.3 percent—
- Continued on page 13.*

Chart 4
Absolute Deviation from Average and Total State and Local Tax Collections as Percent of Personal Income
State Fiscal Year 2002



Source: Census Bureau, Bureau of Economic Analysis, MHPC

Chart 5
Absolute Deviation from Average and Total State and Local Tax Collections as Percent of Personal Income
State Fiscal Years 1958 and 2002



Source: Census Bureau, Bureau of Economic Analysis, MHPC

Map 1
The Maine Taxpayer Bill of Rights Projected
Average Growth Allowances by Municipality
State Fiscal Years 2008 to 2021

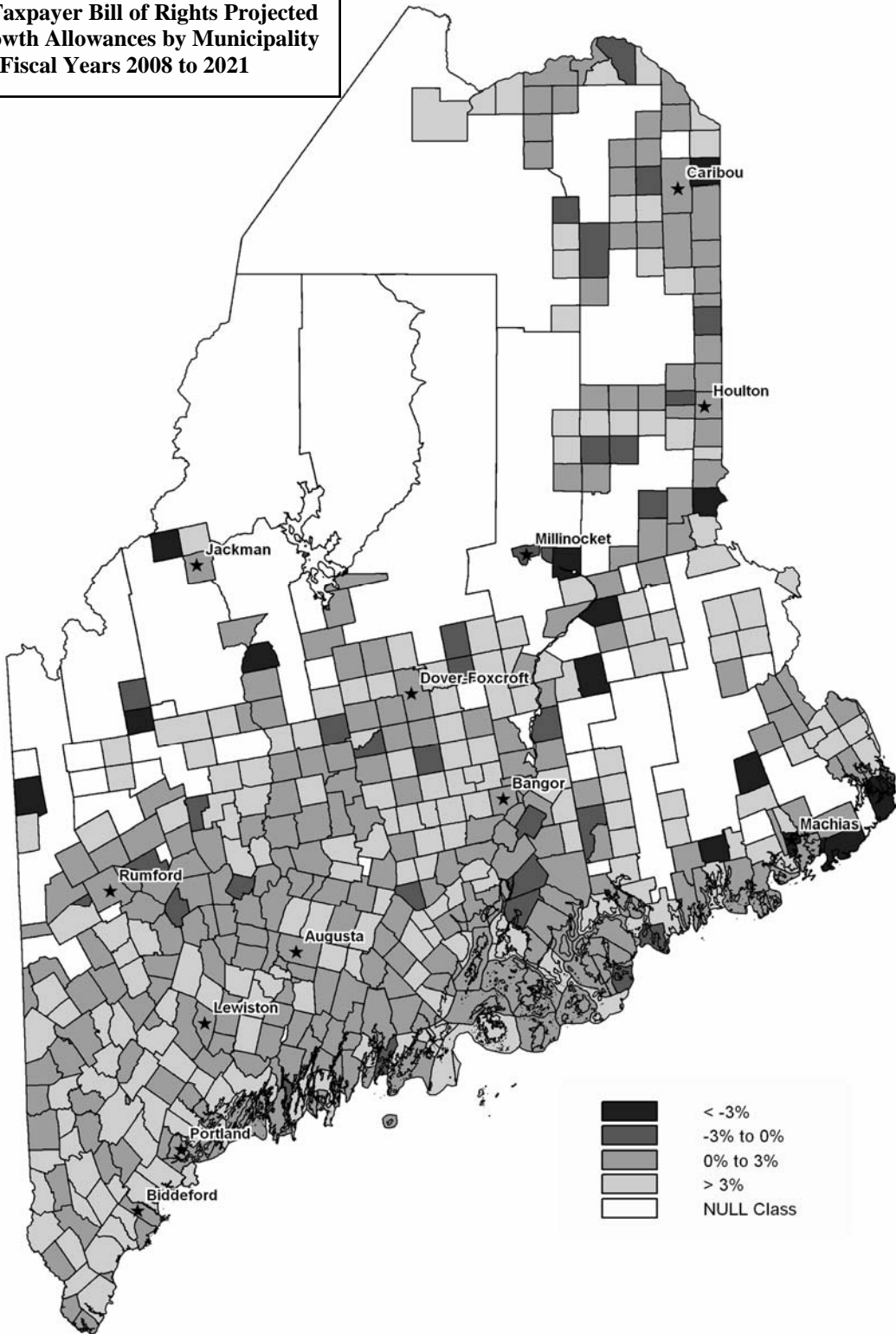


Table 4
The Taxpayer Bill of Rights Growth Allowances by County
State Fiscal Years 2008 to 2021
Dollars in Millions

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Increase	
ANDROSCOGGIN	Change in Total Taxes Paid:	\$2,245	\$2,516	\$2,757	\$3,125	\$3,594	\$3,982	\$4,297	\$4,704	\$5,096	\$5,325	\$5,483	\$5,648	\$5,822	\$6,023	\$4,330
	Change in Taxes Paid for "Education":	\$478	\$735	\$963	\$1,320	\$1,780	\$2,160	\$2,470	\$2,878	\$3,271	\$3,504	\$3,668	\$3,840	\$4,021	\$4,210	\$2,521
	Change in Taxes Paid for "Other":	\$1,767	\$1,780	\$1,794	\$1,804	\$1,814	\$1,822	\$1,826	\$1,825	\$1,824	\$1,821	\$1,815	\$1,808	\$1,801	\$1,813	\$1,808
	Percent Change in Total Taxes Paid:	1.6%	1.8%	1.9%	2.2%	2.4%	2.6%	2.8%	2.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	2.6%
	Percent Change in Taxes Paid for "Education":	0.7%	1.1%	1.4%	1.9%	2.5%	3.0%	3.3%	3.8%	4.1%	4.2%	4.2%	4.3%	4.3%	4.3%	3.1%
	Percent Change in Taxes Paid for "Other":	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%	1.9%	2.2%
ARROSTOOK	Change in Total Taxes Paid:	-\$236	-\$150	\$35	\$337	\$701	\$966	\$1,035	\$1,291	\$1,538	\$1,603	\$1,641	\$1,748	\$1,819	\$1,909	\$1,017
	Change in Taxes Paid for "Education":	-\$387	-\$297	-\$109	\$197	\$565	\$835	\$899	\$1,095	\$1,347	\$1,419	\$1,495	\$1,575	\$1,659	\$1,747	\$860
	Change in Taxes Paid for "Other":	\$150	\$147	\$144	\$140	\$136	\$130	\$136	\$196	\$192	\$184	\$175	\$165	\$155	\$158	\$158
	Percent Change in Total Taxes Paid:	-0.4%	-0.2%	0.1%	0.5%	1.1%	1.5%	1.6%	1.9%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	1.4%
	Percent Change in Taxes Paid for "Education":	-1.0%	-0.8%	-0.3%	0.5%	1.5%	2.2%	2.4%	2.8%	3.4%	3.4%	3.5%	3.6%	3.6%	3.7%	2.0%
	Percent Change in Taxes Paid for "Other":	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.7%	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.6%
CUMBERLAND	Change in Total Taxes Paid:	\$10,213	\$11,985	\$12,925	\$14,762	\$17,138	\$18,803	\$20,656	\$22,751	\$24,678	\$26,326	\$27,246	\$28,164	\$29,129	\$30,231	\$21,072
	Change in Taxes Paid for "Education":	\$3,087	\$4,699	\$5,465	\$7,141	\$9,360	\$10,876	\$12,600	\$14,597	\$16,432	\$18,006	\$18,874	\$19,788	\$20,748	\$21,758	\$13,102
	Change in Taxes Paid for "Other":	\$7,126	\$7,286	\$7,461	\$7,621	\$7,778	\$7,927	\$8,056	\$8,155	\$8,246	\$8,320	\$8,371	\$8,376	\$8,381	\$8,473	\$7,970
	Percent Change in Total Taxes Paid:	1.9%	2.1%	2.3%	2.5%	2.9%	3.0%	3.2%	3.5%	3.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.1%
	Percent Change in Taxes Paid for "Education":	0.9%	1.4%	1.6%	2.1%	2.7%	3.0%	3.4%	3.8%	4.2%	4.4%	4.4%	4.4%	4.4%	4.4%	3.2%
	Percent Change in Taxes Paid for "Other":	3.2%	3.2%	3.2%	3.1%	3.1%	3.1%	3.0%	3.0%	2.9%	2.9%	2.8%	2.7%	2.6%	2.6%	2.9%
FRANKLIN	Change in Total Taxes Paid:	\$334	\$522	\$500	\$665	\$820	\$938	\$1,018	\$1,061	\$1,238	\$1,258	\$1,298	\$1,337	\$1,379	\$1,429	\$985
	Change in Taxes Paid for "Education":	-\$286	-\$110	-\$143	\$15	\$163	\$275	\$350	\$389	\$561	\$577	\$614	\$653	\$692	\$733	\$320
	Change in Taxes Paid for "Other":	\$620	\$632	\$642	\$650	\$657	\$663	\$668	\$673	\$677	\$681	\$683	\$685	\$687	\$696	\$665
	Percent Change in Total Taxes Paid:	0.7%	1.1%	1.0%	1.3%	1.6%	1.8%	2.0%	2.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	1.8%
	Percent Change in Taxes Paid for "Education":	-1.1%	-0.4%	-0.5%	0.1%	0.6%	1.0%	1.3%	1.4%	2.0%	2.1%	2.1%	2.2%	2.3%	2.4%	1.1%
	Percent Change in Taxes Paid for "Other":	2.9%	2.9%	2.8%	2.8%	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.6%

Table 4 Continued

Table 4 Continued

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Increase
HANCOCK	Change in Total Taxes Paid:	\$765	\$660	\$1,715	\$1,827	\$2,378	\$2,772	\$2,149	\$3,136	\$3,433	\$3,573	\$3,687	\$3,805	\$3,929	\$4,085	\$2,708
	Change in Taxes Paid for "Education":	-\$355	-\$471	\$571	\$675	\$1,217	\$1,609	\$983	\$1,971	\$2,268	\$2,410	\$2,527	\$2,650	\$2,780	\$2,916	\$1,554
	Change in Taxes Paid for "Other":	\$1,120	\$1,132	\$1,143	\$1,153	\$1,161	\$1,164	\$1,166	\$1,165	\$1,165	\$1,163	\$1,160	\$1,155	\$1,150	\$1,169	\$1,155
	Percent Change in Total Taxes Paid:	0.7%	0.6%	1.6%	1.6%	2.1%	2.4%	1.8%	2.6%	2.8%	2.8%	2.8%	2.8%	2.9%	2.9%	2.2%
	Percent Change in Taxes Paid for "Education":	-0.5%	-0.7%	0.9%	1.0%	1.8%	2.4%	1.4%	2.8%	3.2%	3.2%	3.3%	3.4%	3.4%	3.5%	2.1%
	Percent Change in Taxes Paid for "Other":	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.1%	2.1%	2.4%
KENNEBEC	Change in Total Taxes Paid:	\$781	\$1,057	\$1,329	\$1,710	\$2,292	\$2,684	\$3,017	\$3,496	\$3,971	\$4,184	\$4,306	\$4,427	\$4,553	\$4,710	\$3,037
	Change in Taxes Paid for "Education":	-\$169	\$103	\$372	\$750	\$1,329	\$1,719	\$2,051	\$2,529	\$3,008	\$3,227	\$3,359	\$3,496	\$3,640	\$3,791	\$2,086
	Change in Taxes Paid for "Other":	\$950	\$954	\$958	\$960	\$963	\$965	\$967	\$967	\$963	\$957	\$948	\$930	\$913	\$919	\$951
	Percent Change in Total Taxes Paid:	0.6%	0.8%	1.0%	1.3%	1.7%	1.9%	2.1%	2.4%	2.7%	2.7%	2.7%	2.7%	2.7%	2.8%	2.0%
	Percent Change in Taxes Paid for "Education":	-0.2%	0.1%	0.5%	0.9%	1.6%	2.0%	2.4%	2.9%	3.3%	3.4%	3.5%	3.5%	3.5%	3.5%	2.2%
	Percent Change in Taxes Paid for "Other":	1.9%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.7%
KNOX	Change in Total Taxes Paid:	\$1,096	\$1,386	\$1,582	\$1,753	\$2,116	\$2,463	\$2,702	\$3,015	\$3,395	\$3,534	\$3,671	\$3,814	\$3,966	\$4,142	\$2,760
	Change in Taxes Paid for "Education":	\$158	\$430	\$606	\$759	\$1,105	\$1,436	\$1,660	\$1,960	\$2,327	\$2,455	\$2,584	\$2,719	\$2,862	\$3,013	\$1,720
	Change in Taxes Paid for "Other":	\$938	\$956	\$976	\$994	\$1,011	\$1,027	\$1,042	\$1,055	\$1,068	\$1,078	\$1,087	\$1,095	\$1,104	\$1,129	\$1,040
	Percent Change in Total Taxes Paid:	1.4%	1.8%	2.0%	2.1%	2.5%	2.9%	3.1%	3.3%	3.6%	3.6%	3.6%	3.6%	3.7%	3.7%	2.9%
	Percent Change in Taxes Paid for "Education":	0.3%	0.9%	1.2%	1.5%	2.2%	2.8%	3.2%	3.6%	4.2%	4.2%	4.2%	4.3%	4.3%	4.4%	3.0%
	Percent Change in Taxes Paid for "Other":	3.1%	3.1%	3.1%	3.0%	3.0%	2.9%	2.9%	2.9%	2.8%	2.8%	2.7%	2.7%	2.6%	2.6%	2.9%
LINCOLN	Change in Total Taxes Paid:	\$464	\$595	\$731	\$949	\$1,196	\$1,517	\$1,524	\$1,717	\$2,041	\$2,119	\$2,186	\$2,255	\$2,324	\$2,399	\$1,573
	Change in Taxes Paid for "Education":	-\$167	-\$47	\$75	\$283	\$519	\$830	\$828	\$1,012	\$1,327	\$1,398	\$1,459	\$1,522	\$1,589	\$1,659	\$878
	Change in Taxes Paid for "Other":	\$630	\$642	\$655	\$667	\$677	\$687	\$696	\$705	\$714	\$721	\$727	\$732	\$735	\$739	\$695
	Percent Change in Total Taxes Paid:	0.7%	0.9%	1.1%	1.5%	1.8%	2.2%	2.2%	2.4%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%	2.1%
	Percent Change in Taxes Paid for "Education":	-0.4%	-0.1%	0.2%	0.7%	1.2%	1.9%	1.9%	2.3%	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%	1.9%
	Percent Change in Taxes Paid for "Other":	2.9%	2.9%	2.9%	2.8%	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.7%

Table 4 Continued

Table 4 Continued

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Increase
OXFORD	Change in Total Taxes Paid:	\$698	\$905	\$1,007	\$1,247	\$1,473	\$1,783	\$1,901	\$1,945	\$2,343	\$2,441	\$2,510	\$2,580	\$2,655	\$2,758	\$1,875
	Change in Taxes Paid for "Education":	\$118	\$327	\$429	\$672	\$901	\$1,217	\$1,340	\$1,393	\$1,801	\$1,911	\$1,992	\$2,077	\$2,165	\$2,258	\$1,329
	Change in Taxes Paid for "Other":	\$579	\$578	\$577	\$575	\$571	\$567	\$561	\$552	\$542	\$530	\$518	\$504	\$490	\$500	\$546
	Percent Change in Total Taxes Paid:	0.9%	1.2%	1.3%	1.6%	1.9%	2.2%	2.3%	2.3%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	2.2%
	Percent Change in Taxes Paid for "Education":	0.3%	0.7%	0.9%	1.5%	1.9%	2.5%	2.7%	2.8%	3.5%	3.6%	3.6%	3.6%	3.6%	3.7%	2.5%
	Percent Change in Taxes Paid for "Other":	1.9%	1.9%	1.9%	1.8%	1.8%	1.7%	1.7%	1.6%	1.6%	1.5%	1.5%	1.4%	1.3%	1.3%	1.6%
PENOBSCOT	Change in Total Taxes Paid:	\$1,363	\$1,755	\$2,065	\$2,537	\$3,136	\$3,603	\$3,994	\$4,561	\$5,080	\$5,447	\$5,774	\$5,985	\$6,206	\$6,462	\$4,141
	Change in Taxes Paid for "Education":	-\$51	\$323	\$611	\$1,068	\$1,655	\$2,113	\$2,498	\$3,061	\$3,576	\$3,942	\$4,151	\$4,367	\$4,591	\$4,824	\$2,623
	Change in Taxes Paid for "Other":	\$1,414	\$1,433	\$1,454	\$1,469	\$1,481	\$1,490	\$1,496	\$1,500	\$1,504	\$1,504	\$1,623	\$1,619	\$1,615	\$1,638	\$1,517
	Percent Change in Total Taxes Paid:	0.8%	1.1%	1.2%	1.5%	1.8%	2.1%	2.3%	2.5%	2.7%	2.9%	2.9%	3.0%	3.0%	3.0%	2.2%
	Percent Change in Taxes Paid for "Education":	-0.1%	0.3%	0.6%	1.1%	1.7%	2.1%	2.5%	3.0%	3.4%	3.6%	3.6%	3.7%	3.8%	3.8%	2.4%
	Percent Change in Taxes Paid for "Other":	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%	1.9%	1.9%	1.9%	2.0%	1.9%	1.9%	1.9%	2.0%
PISCATAQUIS	Change in Total Taxes Paid:	\$39	\$80	\$180	\$214	\$297	\$362	\$417	\$440	\$508	\$534	\$559	\$586	\$615	\$650	\$391
	Change in Taxes Paid for "Education":	-\$145	-\$106	-\$9	\$24	\$106	\$171	\$225	\$248	\$316	\$342	\$368	\$395	\$425	\$457	\$201
	Change in Taxes Paid for "Other":	\$184	\$186	\$188	\$190	\$191	\$192	\$192	\$192	\$192	\$192	\$192	\$191	\$190	\$193	\$190
	Percent Change in Total Taxes Paid:	0.2%	0.4%	1.0%	1.2%	1.6%	1.9%	2.2%	2.2%	2.5%	2.6%	2.7%	2.7%	2.8%	2.8%	1.9%
	Percent Change in Taxes Paid for "Education":	-1.5%	-1.1%	-0.1%	0.3%	1.1%	1.7%	2.3%	2.4%	3.0%	3.2%	3.3%	3.5%	3.6%	3.7%	1.8%
	Percent Change in Taxes Paid for "Other":	2.3%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%	1.8%	1.8%	2.0%
SAGadahoc	Change in Total Taxes Paid:	\$680	\$839	\$938	\$1,094	\$1,324	\$1,462	\$1,591	\$1,727	\$1,914	\$1,970	\$2,009	\$2,049	\$2,091	\$2,159	\$1,560
	Change in Taxes Paid for "Education":	-\$69	\$88	\$189	\$352	\$587	\$735	\$874	\$1,024	\$1,225	\$1,298	\$1,354	\$1,414	\$1,476	\$1,542	\$864
	Change in Taxes Paid for "Other":	\$749	\$751	\$748	\$743	\$736	\$727	\$716	\$703	\$689	\$672	\$654	\$635	\$615	\$618	\$697
	Percent Change in Total Taxes Paid:	1.1%	1.3%	1.5%	1.7%	2.0%	2.2%	2.3%	2.5%	2.7%	2.7%	2.7%	2.6%	2.6%	2.6%	2.2%
	Percent Change in Taxes Paid for "Education":	-0.2%	0.3%	0.6%	1.0%	1.7%	2.1%	2.4%	2.8%	3.3%	3.3%	3.4%	3.4%	3.4%	3.5%	2.2%
	Percent Change in Taxes Paid for "Other":	2.7%	2.6%	2.5%	2.5%	2.4%	2.3%	2.2%	2.1%	2.0%	1.9%	1.9%	1.8%	1.7%	1.7%	2.2%

Table 4 Continued

Table 4 Continued

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Increase
SOMERSET	Change in Total Taxes Paid:	\$576	\$780	\$889	\$1,113	\$1,452	\$1,647	\$1,807	\$2,148	\$2,448	\$2,539	\$2,640	\$2,745	\$2,855	\$2,986	\$1,902
	Change in Taxes Paid for "Education":	\$171	\$372	\$481	\$703	\$1,042	\$1,236	\$1,397	\$1,739	\$2,039	\$2,131	\$2,233	\$2,340	\$2,453	\$2,571	\$1,493
	Change in Taxes Paid for "Other":	\$406	\$407	\$409	\$410	\$410	\$410	\$410	\$409	\$409	\$408	\$407	\$405	\$402	\$415	\$408
	Percent Change in Total Taxes Paid:	0.9%	1.2%	1.4%	1.7%	2.2%	2.5%	2.6%	3.1%	3.4%	3.4%	3.4%	3.4%	3.5%	3.5%	2.6%
	Percent Change in Taxes Paid for "Education":	0.4%	0.9%	1.2%	1.7%	2.5%	2.9%	3.2%	3.9%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	3.1%
	Percent Change in Taxes Paid for "Other":	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.6%
WALDO	Change in Total Taxes Paid:	\$475	\$702	\$847	\$1,034	\$1,278	\$1,439	\$1,559	\$1,741	\$1,934	\$2,027	\$2,092	\$2,155	\$2,221	\$2,298	\$1,557
	Change in Taxes Paid for "Education":	-\$205	\$6	\$134	\$304	\$533	\$679	\$785	\$956	\$1,138	\$1,224	\$1,284	\$1,347	\$1,413	\$1,484	\$791
	Change in Taxes Paid for "Other":	\$680	\$696	\$714	\$730	\$746	\$760	\$773	\$785	\$796	\$804	\$808	\$809	\$807	\$814	\$766
	Percent Change in Total Taxes Paid:	0.9%	1.4%	1.6%	1.9%	2.4%	2.6%	2.7%	3.0%	3.2%	3.3%	3.3%	3.2%	3.2%	3.2%	2.6%
	Percent Change in Taxes Paid for "Education":	-0.6%	0.0%	0.4%	1.0%	1.7%	2.1%	2.4%	2.8%	3.3%	3.4%	3.5%	3.5%	3.6%	3.6%	2.2%
	Percent Change in Taxes Paid for "Other":	3.5%	3.4%	3.4%	3.4%	3.3%	3.3%	3.2%	3.2%	3.1%	3.1%	3.0%	2.9%	2.8%	2.8%	3.2%
WASHINGTON	Change in Total Taxes Paid:	-\$260	-\$166	-\$50	\$159	\$306	\$539	\$652	\$772	\$912	\$1,047	\$1,136	\$1,222	\$1,308	\$1,400	\$641
	Change in Taxes Paid for "Education":	-\$424	-\$332	-\$218	-\$11	\$135	\$367	\$480	\$600	\$739	\$875	\$964	\$1,052	\$1,140	\$1,228	\$471
	Change in Taxes Paid for "Other":	\$164	\$166	\$168	\$170	\$171	\$172	\$173	\$173	\$173	\$172	\$171	\$170	\$169	\$172	\$170
	Percent Change in Total Taxes Paid:	-0.7%	-0.5%	-0.1%	0.4%	0.8%	1.5%	1.7%	2.0%	2.4%	2.6%	2.8%	2.9%	3.0%	3.2%	1.6%
	Percent Change in Taxes Paid for "Education":	-1.8%	-1.4%	-1.0%	0.0%	0.6%	1.6%	2.1%	2.6%	3.1%	3.5%	3.8%	4.0%	4.1%	4.3%	1.8%
	Percent Change in Taxes Paid for "Other":	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
YORK	Change in Total Taxes Paid:	\$6,735	\$7,673	\$8,345	\$9,454	\$10,828	\$11,896	\$13,009	\$14,455	\$15,759	\$16,564	\$17,161	\$17,767	\$18,398	\$19,121	\$13,369
	Change in Taxes Paid for "Education":	\$2,117	\$2,921	\$3,453	\$4,433	\$5,685	\$6,639	\$7,644	\$8,989	\$10,191	\$10,906	\$11,427	\$11,973	\$12,549	\$13,153	\$8,006
	Change in Taxes Paid for "Other":	\$4,618	\$4,752	\$4,892	\$5,021	\$5,143	\$5,256	\$5,365	\$5,465	\$5,569	\$5,658	\$5,735	\$5,794	\$5,850	\$5,968	\$5,363
	Percent Change in Total Taxes Paid:	2.1%	2.3%	2.5%	2.7%	3.1%	3.3%	3.5%	3.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.3%
	Percent Change in Taxes Paid for "Education":	1.1%	1.5%	1.7%	2.2%	2.7%	3.1%	3.5%	3.9%	4.3%	4.4%	4.4%	4.4%	4.4%	4.5%	3.3%
	Percent Change in Taxes Paid for "Other":	3.7%	3.7%	3.6%	3.6%	3.6%	3.5%	3.5%	3.4%	3.4%	3.3%	3.2%	3.2%	3.1%	3.1%	3.4%

Table 4 Continued

Table 4 Continued

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Increase
STATE TOTALS	Change in Total Taxes Paid:	\$25,967	\$31,140	\$35,795	\$41,981	\$50,328	\$56,856	\$61,327	\$68,961	\$76,289	\$80,491	\$83,398	\$86,288	\$89,271	\$92,762	\$62,918
	Change in Taxes Paid for "Education":	\$3,872	\$8,643	\$12,871	\$18,686	\$26,682	\$32,896	\$37,084	\$44,441	\$51,566	\$55,626	\$58,352	\$61,208	\$64,202	\$67,346	\$38,820
	Change in Taxes Paid for "Other":	\$22,095	\$22,497	\$22,924	\$23,295	\$23,646	\$23,960	\$24,243	\$24,521	\$24,723	\$24,866	\$25,075	\$25,073	\$25,064	\$25,412	\$24,099
	Percent Change in Total Taxes Paid:	1.3%	1.6%	1.8%	2.0%	2.4%	2.6%	2.8%	3.0%	3.3%	3.3%	3.3%	3.3%	3.3%	3.4%	2.7%
	Percent Change in Taxes Paid for "Education":	0.3%	0.7%	1.1%	1.6%	2.2%	2.6%	2.9%	3.4%	3.8%	4.0%	4.0%	4.0%	4.1%	4.1%	2.8%
	Percent Change in Taxes Paid for "Other":	2.8%	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.5%

Source: State Planning Office, Revenue Forecasting Committee, Maine Revenue Service: Property Tax Division, Department of Education, MHPC calculations.

closely corresponding to the national average. Even under the Maine Taxpayer Bill of Rights it would take until FY 2021 to reach that level of taxation.

2. According to a Maine Municipal Association survey, in FY 2005 the growth factor in LD 1 was estimated to be more than twice that of the Maine Taxpayer Bill of Rights—see Table 5 [4]. As a result, it could take LD 1 twice as long, at the local level, to achieve the same results as the Maine Taxpayer Bill of Rights.

3. The growth limits in LD 1 can be overridden with a simple majority vote of lawmakers as opposed to the two-thirds legislative requirement and majority of voters under the Maine Taxpayer Bill of Rights.

Under LD 1, it looks likely that the State of Maine will end up breaking its own law. The enactment of the Maine Taxpayer Bill of Rights is the only means that the state can come reasonably close to achieving the statutory goal of reducing Maine's tax burden close to the national average by FY 2015.

Table 5
Comparison of Growth Factors under LD 1 and The Maine Taxpayer Bill of Rights
State Fiscal Year 2005

Municipality	LD 1 Growth Factor	Taxpayer Bill of Rights Growth Factor	Municipality	LD 1 Growth Factor	Taxpayer Bill of Rights Growth Factor	Municipality	LD 1 Growth Factor	Taxpayer Bill of Rights Growth Factor
Acton	3.37	0.79	Hodgdon	5.22	0.72	Richmond	5.58	1.87
Appleton	6.88	3.49	Holden	5.94	3.36	Rockland	5.6	3.02
Arrowsic	4.3	1.72	Hollis	6.02	3.44	Rumford	2.98	0.4
Augusta	5.63	0.54	Hope	7.36	4.78	Sanford	4.92	2.34
Aurora	2.58	0	Islesboro	3.96	1.38	Scarborough	5.31	2.73
Bangor	5.3	2.72	Jay	4.83	1.73	Sebago	6.18	1.84
Bar Harbor	5.8	3.22	Kennebunk	4.43	1.85	Sebec	4.71	-0.23
Bath	3.91	1.33	Kennebunkport	4.97	2.39	Shirley	2.58	0
Beaver Cove	4.22	0.6	Kittery	4.24	1.66	South Berwick	4.21	1.63
Biddeford	5.13	2.55	Lamoine	3.68	1.1	South Portland	5.49	2.53
Bowdoinham	6.88	1.25	Lebanon	4.58	2	Southwest Harbor	3.35	0.77
Bowerbank	4.86	2.28	Leeds	5.28	2.7	Standish	3.96	1.38
Bradley	7.3	3.42	Levant	16.28	6.13	Stockton Springs	16.51	3.19
Brewer	7.73	4.57	Lewiston	5.58	2.77	Sullivan	4.67	-1.23
Brunswick	5.15	2.57	Limestone	6.83	-0.23	Sumner	8.04	2.09
Buckfield	6.22	-2.17	Lincolntonville	4.48	1.9	Surry	3.86	1.28
Bucksport	3.63	1.05	Linneus	6.12	0.03	Thomaston	19.24	3.96
Buxton	4.8	0.36	Lisbon	5.31	2.41	Topsfield	4.02	1.44
Calais	4.4	1.82	Litchfield	9.63	4.95	Topsham	12	2.97
Camden	4.67	2.09	Livermore	3.28	0.7	Tremont	5.99	3.17
Cape Elizabeth	4.37	1.79	Livermore Falls	5.28	2.7	Trenton	6.65	3.24
Chelsea	8.58	1.1	Long Island	3.98	0.24	Turner	6.23	3.65
China	4.29	1.71	Machias	3.38	0.8	Union	5.48	2.9
Clinton	4.24	-0.05	Madawaska	5.14	2.56	Veazie	3.55	0.97
Cumberland	6.22	3.64	Madison	2.97	0.39	Vinalhaven	3.39	-1.23
Damariscotta	4.6	-2.23	Manchester	5.44	1.74	Waterville	8.22	3.14
Danforth	4.23	-0.95	Mariaville	5.95	2.2	Wayne	2.58	0
Dexter	4.61	2.03	Mechanic Falls	4.71	1.44	West Bath	7.41	3.97
Dover-Foxcroft	4.54	1.96	Mexico	4.1	1.52	Weston	2.58	-0.3
Dresden	7.74	-4.31	Milbridge	3.89	1.31	Willimantic	6.11	3.53
Eastport	2.6	0.02	Millinocket	2.64	-0.79	Wilton	2.59	0.01
Edgecomb	4.1	1.52	Monmouth	5.82	2.95	Winslow	5.13	2.55
Ellsworth	5.79	1.31	Mount Vernon	4.49	1.88	Winterport	5.83	3.25
Enfield	2.98	0.4	Naples	6.05	1.73	Winthrop	4.92	2.34
Fairfield	3.68	1.1	Nashville Plt	2.58	-0.98	Woolwich	4.27	1.69
Falmouth	5.32	2.74	New Gloucester	6.62	2.3	Yarmouth	3.76	1.18
Fayettee	5.36	2.01	New Sweden	4.56	1.39	York	5.58	3
Fort Fairfield	3.58	1	North Berwick	6.2	3.62			
Freeport	5.92	1.81	Norway	5.27	2.69			
Gardiner	8.9	1.88	Oakland	5.86	2.99			
Georgetown	3.5	0.92	Old Orchard	8.07	5.49			
Glenburn	7.49	2.88	Old Town	2.58	0			
Gorham	6.01	2.32	Orono	8.68	5.15			
Grand Isle	3.37	0.79	Otis	4.92	2.34			
Gray	5.13	2.18	Parsonfield	2.81	0.06			
Greenbush	4.19	0.32	Pembroke	2.58	0			
Hancock	6.02	-0.04	Phippsburg	5.43	2.85			
Harrison	6.16	3.58	Portland	3.56	0.98			
Hermon	7.95	3.5	Randolph	3.58	1			
Hersey	5.6	2.66	Readfield	5.46	2.88			
						Average	3.55	1.75

Note: Based on a Maine Municipal Association survey of municipalities subject to LD 1 growth limits in 2005. Sample may not be representative of all municipalities.

Source: "Comparison of Local Government Limitations in LD1, Colorado TABOR and proposed Maine TABOR," Maine Townsman, Maine Municipal Association, December 2005; "Average" calculation performed by MHPC.

Sources

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- [4] "LD 1 and TABOR Growth Factor Comparisons," *Maine Townsman*, Maine Municipal Association, December 2005.
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Methodology

While this study has focused on the effects that the Maine Taxpayer Bill of Rights will have on the level of taxation in Maine; technically, the Maine Taxpayer Bill of Rights is a check on spending, not taxes per se. Two key assumptions in this analysis are that state and local budgets are always in balance (revenue equals expenditures) and that the current ratio of state and local taxes to expenditures remains constant.

With these assumptions, the same growth allowances applied to expenditures can also be applied to taxes. Each of the formulas is presented along with their data sources and methodology:

The growth allowance for the state government is based on the change in population plus the inflation rate. The projection of state-wide population is from the U.S. Census Bureau's population estimate to 2030 and can be found at:

<http://www.census.gov/population/www/projections/projectionsagesex.html>

The projection for the inflation rate is from the February 2006 Report of the Consensus Economic Forecasting Commission. The projection goes out to CY 2009 after which this study holds constant the CY 2009 inflation rate (2.8 percent) to CY 2021. The report can be found at:

<http://www.state.me.us/legis/ofpr/CEFC%20Feb%202006.pdf>

The growth allowance for local governments is broken down into two components:

Education Spending—The growth allowance for education is based on the change in school enrollment plus the inflation rate. The projection for school enrollment is from the Maine State Planning Office's "Forecast of Residents Educated at Public Expense by Town to 2017" and can be found at:

<http://www.state.me.us/spo/economics/economics/spreadsheetfiles/publicexpense2017c.xls>

The growth rate for 2017 was held constant to 2021. The projection for the inflation rate is same as the state growth allowance.

All Other Spending—The growth allowance for all other spending is based on the lesser of the change in property tax assessment versus the change in population plus the inflation rate. The projection in local property assessments is based on a linear extrapolation to 2021 of property assessments from 1999 to 2004 as found in "Municipal Valuation Return Statistical Summary" published by the Maine Revenue Services Property Tax Division and can be found at:

<http://www.state.me.us/revenue/propertytax/Municipal%20Services%20Files/data.htm>

The change in population is based on the State Planning Office's "Town-Level Population Projection to 2020 (with age cohorts)" and can be found at:

<http://www.maine.gov/spo/landuse/docs/Population/TownAgeForecastSummary.xls>

The growth rate for 2020 was held constant to 2021. The projection for the inflation rate is the same as the state growth allowance.

The split between "education" and "all other" spending was calculated by subtracting education spending from total tax commitments—leaving "all other" as a residual. The data for local tax commitments comes from the same source as local property assessments mentioned above. The data for education spending is from the Department of Education's "Mills Raised for Education" and can be found at:

<http://www.maine.gov/education/data/budget/budget.htm>

The projected growth allowances calculated for the state and local governments between 2008 to 2021 are applied to the state and local tax collection data published by the U.S. Census Bureau and can be found at:

<http://www.census.gov/govs/www/index.html>

Finally, the last year of complete state and local tax collections published by the Census Bureau is for FY 2002 (up to FY 2005 for state level data). The estimate of Maine's tax collections between FY 2002 and FY 2008 is based on actual and projected tax collections published by the Maine Office of Fiscal and Program Review (OFPR) and can be found at:

<http://www.maine.gov/legis/ofpr/Tax%20Info/Tax%20Burden%20Report%20-%20March%202006.pdf>

Due to differences in methodology, this report applied the year-over-year rate of change in state and local tax collections as estimated by OFPR and then applied the rate of change to the Census data.

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