

## Maine

From 2002 to 2008, Maine's spending increased the most in the welfare (38%), corrections (34%), education (34%) and health (34%) categories. The spending categories that saw the least growth were debt service (+8%), highways (+4%), parks and recreation (-3%), and salaries and wages (-5%). The decrease in salaries and wages spending was the largest in the nation. The state's overall general spending increase of 31% put it in the bottom half of the states, ranking 35<sup>th</sup>-highest.

Maine's total overall revenue growth of 39% ranked 36<sup>th</sup> for the period, and its total tax revenue growth of 40% ranked 34<sup>th</sup>. Corporate income taxes were the fastest growing tax revenue category, increasing 138% and ranking 17<sup>th</sup>-highest.

<b>Spending</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	105,580	47	141,982	44	+3	34%	22
Education	1,505,432	44	2,018,539	44	0	34%	36
Government Administration	255,334	15	325,779	13	+2	28%	29
Health	366,293	6	491,007	5	+1	34%	24
Highways	462,147	20	479,580	25	-5	4%	37
Hospitals	46,493	45	56,286	44	+1	21%	32
Interest on Debt	238,184	10	257,910	15	-5	8%	42
Natural Resources	149,602	7	167,216	9	-2	12%	34
Parks and Recreation	11,540	42	11,159	46	-4	-3%	36
Police Protection	60,455	15	72,231	15	0	19%	31
Public Welfare	1,801,953	4	2,492,721	6	-2	38%	30
Salaries and Wages	798,047	30	760,447	47	-17	-5%	50
Direct Expenditures	4,660,562	7	6,113,709	11	-4	31%	38
General Expenditures	5,670,144	14	7,449,178	16	-2	31%	35
Total Expenditures	6,264,883	20	8,175,152	18	+2	30%	37
<b>Taxes</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax <sup>1</sup>	1,072,810	13	1,448,273	14	-1	35%	36
General Sales Tax <sup>2</sup>	836,134	22	1,071,653	22	0	28%	29
Corporate Income Tax <sup>3</sup>	77,366	31	184,515	23	+8	138%	17
Total Taxes	2,626,830	14	3,681,614	14	0	40%	34
Total Revenue	5,451,423	17	7,551,956	17	0	39%	36

<sup>1</sup> Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

<sup>2</sup> General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

<sup>3</sup> Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

**Comparison to Baseline Growth**

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Maine’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Maine’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

