

Maine DOT facing big revenues drop from coronavirus health crisis

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AUGUSTA, Maine — Nearly two months of battling the [COVID-19](#) virus is taking a toll on Maine's economy. Thousands of businesses have been closed or cut back, more than 100,000 people are out of work, but a serious side effect is a loss of tax revenue that pays for state government.

Few parts of the government have felt the hit from the economic shutdown more directly than the Maine Department of Transportation. The DOT depends on dedicated revenue from the fuel tax to pay many of the bills, including salaries. And Transportation Commissioner Bruce Van Note says the money has stopped flowing.

"Our revenue sources are pretty limited and simple," the Commissioner said. "Fuel taxes. If people don't drive, they don't burn gas so revenue is down."

Van Note says the DOT is projecting that for the six month period from April 1 to September 30, the Highway Fund, created by the fuel tax money, will be down by as much as 40% - \$74 million.

This at the same time the DOT is starting its annual construction season. Van Note says there is money from bonds approved by voters last year, so **most of the work will go on**, but he says the DOT needs help.

"We did assume from the get-go a month ago that there would be extraordinary funding from the federal government available to deal with huge revenue losses caused by or COVID-19 and as of this moment, it hasn't materialized."

The money Maine and other states have gotten from the federal government for COVID-19 relief is not allowed to be used to replace lost tax revenue. Van Note says Maine's Congressional delegation is aware of the problem, and Sen. Susan Collins told reporters this week the policy needs to be changed.

The Highway Fund isn't the only casualty of the virus. Income taxes and sales taxes are also being delayed and reduced by the health crisis. Governor Mills said this week she is calling state revenue analysts to meet in June—much earlier than usual—to determine how much of a financial hole state government will be in, and begin planning for ways to get out.