

MAINE STATE LEGISLATURE

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5/15
R O B S

L.D. 867

Date: 6/3/15

(Filing No. S-178)

TAXATION

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STATE OF MAINE

SENATE

127TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 312, L.D. 867, Bill, "An Act To Provide Tax Fairness and To Lower Medical Expenses for Patients under the Maine Medical Use of Marijuana Act"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §5122, sub-§2, ¶¶OO and PP are enacted to read:

OO. For taxable years beginning on or after January 1, 2015, an amount equal to the deduction disallowed under the Code, Section 280E related to carrying on a trade or business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

PP. For taxable years beginning on or after January 1, 2015, an amount equal to the amount paid for medical marijuana purchased in accordance with the Maine Medical Use of Marijuana Act by a qualifying patient, as defined in Title 22, section 2422, subsection 9, except that the amount that may be subtracted under this paragraph is limited to the amount that exceeds the applicable threshold under the Code, Sections 213(a) and 213(f) when added to the allowable medical expense deduction under the Code, Section 213.

Sec. 2. 36 MRSA §5200-A, sub-§2, ¶AA is enacted to read:

AA. For taxable years beginning on or after January 1, 2015, an amount equal to the deduction disallowed under the Code, Section 280E related to carrying on a trade or business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides funding for computer programming costs.

ROFS

COMMITTEE AMENDMENT "A" to S.P. 312, L.D. 867

1	GENERAL FUND	2015-16	2016-17
2	All Other	\$33,000	\$0
3			
4	GENERAL FUND TOTAL	<u>\$33,000</u>	<u>\$0</u>
5			

SUMMARY

This amendment adds references to the United States Internal Revenue Code of 1986 to ensure proper administration of the deductions created by the bill. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 867

LR 1050(02)

An Act To Provide Tax Fairness and To Lower Medical Expenses for Patients under the Maine Medical Use of Marijuana Act

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-178)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$255,300	\$253,650	\$272,650	\$286,900
Appropriations/Allocations				
General Fund	\$33,000	\$0	\$0	\$0
Revenue				
General Fund	(\$222,300)	(\$253,650)	(\$272,650)	(\$286,900)
Other Special Revenue Funds	(\$11,700)	(\$13,350)	(\$14,350)	(\$15,100)

Fiscal Detail and Notes

This legislation allows medical marijuana dispensaries to deduct expenses and qualified patients to deduct the cost of medical marijuana purchased and would result in a reduction in General Fund revenue of \$222,300 in fiscal year 2015-16 and \$253,650 in fiscal year 2016-17 and a reduction in Local Government Fund revenue of \$11,700 in fiscal year 2015-16 and \$13,350 in fiscal year 2016-17. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services of \$33,000 in fiscal year 2015-16 for computer programming changes.