

# MAINE STATE LEGISLATURE

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1 L.D. 1899

2 Date: 6/6/25

(Filing No. H-550)

3 MINORITY  
TAXATION

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5 STATE OF MAINE  
6 HOUSE OF REPRESENTATIVES  
7 132ND LEGISLATURE  
8 FIRST SPECIAL SESSION

9 COMMITTEE AMENDMENT "A" to H.P. 1270, L.D. 1899, "An Act to Eliminate  
10 Taxation on Health Care Spending"

11 Amend the bill by inserting after section 1 the following:

12 'Sec. 2. Appropriations and allocations. The following appropriations and  
13 allocations are made.

14 ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF  
15 Revenue Services, Bureau of 0002

16 Initiative: Provides one-time funding for computer programming costs.

17 GENERAL FUND	2025-26	2026-27
18 All Other	\$0	\$12,844
19		
20 GENERAL FUND TOTAL	\$0	\$12,844

21  
22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
23 number to read consecutively.

24 SUMMARY

25 This amendment adds an appropriations and allocations section.

26 FISCAL NOTE REQUIRED  
27 (See attached)

**132nd MAINE LEGISLATURE****LD 1899****LR 2058(02)****An Act to Eliminate Taxation on Health Care Spending**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (H-550)**  
**Committee: Taxation**  
**Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$185,262,844	\$192,660,000	\$200,355,000
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$12,844	\$0	\$0
<b>Revenue</b>				
General Fund	\$0	(\$185,250,000)	(\$192,660,000)	(\$200,355,000)
Other Special Revenue Funds	\$0	(\$9,750,000)	(\$10,140,000)	(\$10,545,000)

**Fiscal Detail and Notes**

This bill includes a revenue decrease to the General Fund of \$185,250,000 in fiscal year 2026-27 by providing a deduction for income tax purposes of medical and dental expenses paid by a taxpayer or the taxpayer's spouse or dependent. The deduction is for medical and dental expenses that are allowed under the United States Internal Revenue Code of 1986, even if the expenses do not meet the threshold for deduction under the Code, that were not compensated by insurance or were not deducted from the taxpayer's federal adjusted gross income for tax years beginning on or after January 1, 2026. The bill also includes a revenue decrease to the Local Government Fund of \$9,750,000 in fiscal year 2026-27.

Additionally, the bill includes a one-time General Fund appropriation of \$12,844 to the Bureau of Revenue Services within the Department of Administrative and Financial Services to fund computer programming costs associated with the provisions of this bill.