

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2293

H. P. 1812

House of Representatives, January 3, 1974

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Martin of Eagle Lake.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT to Increase the Cigarette Tax and Provide Funds for
Catastrophic Medical Expense.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 22, § 3454, additional. Title 22 of the Revised Statutes is amended by adding a new section 3454 to read as follows:

§ 3454. Medical expenses for catastrophic illness

The Department of Health and Welfare is authorized to provide financial assistance to, or in behalf of, families or individuals whose costs for hospital in-patient or out-patient care, physicians' services, drugs, appliances and other related services cannot be met from their own or other sources, when said costs are of such magnitude as to constitute a financial catastrophe for the said families or individuals, or when it can be determined that medical indigency exists. The department shall promulgate the necessary rules and regulations to define eligibility, standards of need, the amounts and conditions of assistance and the methods of administration. Any balances of funds appropriated for medical expenses shall not lapse but shall be carried forward from year to year to be expended for the same purpose.

Sec. 2. R. S., T. 36, § 4365, amended. The first sentence of section 4365 of Title 36 of the Revised Statutes, as amended, is further amended to read as follows:

A tax is imposed on all cigarettes held in this State by any person for sale, said tax to be at the rate of 7 8 mills for each cigarette and the payment

thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. 3. R. S., T. 36, § 4365, amended. The next to the last sentence of section 4365 of Title 36 of the Revised Statutes, as amended, is further amended to read as follows:

The Tax Assessor thereupon shall notify the unclassified importer of the amount of the tax due thereon, which shall be at the rate of ~~7~~ 8 mills per cigarette.

Sec. 4. Cigarettes on hand; stamping or account; waiver provisions. The State Tax Assessor may by regulation waive for a period of not over 7 days following the effective date of sections 1 and 2 payment of additional tax by retail dealers with respect to stocks of cigarettes properly stamped at the rate of 7 mills per cigarette sold during such period, provided such stocks were on hand as of the effective date of sections 1 and 2 and pursuant thereto, the State Tax Assessor may also waive for the same period the application to retail dealers of Title 36, sections 4369, 4370 and 4372 as respects such cigarettes.

Nothing herein shall be construed to authorize any distributor or sub-jobber to distribute to any retail outlet cigarettes not properly stamped at the rate of 8 mills per cigarette.

Cigarettes in the hand of retail dealers subsequent to the period of waiver provided for above, not properly stamped at the rate of 8 mills per cigarette, shall be subject to confiscation under the provision of Title 36, section 4372; and such retailer shall be subject to any other penalties by law provided.

Sec. 5. Appropriation. There is appropriated from the General Fund the sum of \$2,840,000 to carry out the purposes of this Act. The breakdown shall be as follows:

HEALTH AND WELFARE, DEPARTMENT OF		1974-75
Personal Services	(8)	\$ 62,245
All Other		2,770,255
Capital Expense		1,600
		<hr/>
		\$2,834,100
FINANCE AND ADMINISTRATION, DEPARTMENT OF BUREAU OF TAXATION		
All Other		5,900
		<hr/>
		\$2,840,000

Sec. 6. Effective date. This Act shall take effect July 1, 1974.

FISCAL NOTE

Funds to implement this program are provided by increasing the cigarette tax which is estimated will increase revenue by \$2,840,000 during 1974-75.

FEDERAL FUNDS

Some additional federal funds will be available for matching.

STATEMENT OF FACT

The purpose of this bill is to authorize the Department of Health and Welfare to provide assistance to families and individuals faced with catastrophic medical costs beyond their ability to pay.