

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1196
6

7 H.P. 847

House of Representatives, April 1, 1985

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

10 EDWIN H. PERT, Clerk

Presented by Representative Murray of Bangor.

11 Cosponsored by Representative Cashman of Old Town, Representative
Connolly of Portland and Representative Nadeau of Lewiston.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Amend the Definition of Income
18 under the Elderly Householders Tax and
19 Rent Refund Act and the Elderly Low
20 Cost Drug Program.
21

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

24 36 MRSA §6103, sub-§5, as amended by PL 1979, c.
25 541, Pt. B, §58, is further amended to read:

26 5. Income. "Income" means the sum of Maine ad-
27 justed gross income determined in accordance with
28 Part 8, the amount of capital gains excluded from ad-
29 justed gross income, alimony, support money, nontax-
30 able strike benefits, the gross amount of any pension
31 or annuity including railroad retirement benefits,
32 all payments received under the Federal Social Secu-
33 rity Act, state unemployment insurance laws, and vet-
34 erans disability pensions, nontaxable interest re-
35 ceived from the Federal Government or any of its in-
36 strumentalities, workmen's compensation and the gross

1 amount of "loss of time" insurance, cash public as-
2 sistance and relief, but not including relief granted
3 under this chapter. It does not include gifts from
4 nongovernmental sources or surplus foods or other re-
5 lief in kind supplied by a governmental agency.

6 In determining eligibility under this chapter and
7 chapter 905 for persons not currently receiving bene-
8 fits under chapter 905, the cost of any drugs of a
9 type which are covered under the provisions of the
10 Elderly Low Cost Drug Program, purchased by the ap-
11 applicant during the year for which income is being
12 calculated, shall be deducted from the applicant's
13 income. In determining eligibility under this chap-
14 ter and chapter 905 for persons receiving benefits
15 under chapter 905, the fair market value of any drugs
16 covered under the provisions of the Elderly Low Cost
17 Drug Program, procured by the applicant during the
18 year for which income is being calculated, shall be
19 deducted from the applicant's income. The Commis-
20 sioner of Human Services shall, by rule, establish
21 procedures for calculating the fair market value of
22 drugs pursuant to this subsection.

23 STATEMENT OF FACT

24 The purpose of this bill is to amend the eligi-
25 bility requirements for the Elderly Low Cost Drug
26 Program and the Elderly Householders Tax and Rent Re-
27 fund Act to deduct the costs of drugs covered under
28 the program from an applicant's income when determin-
29 ing eligibility for the program. Once a person be-
30 comes eligible for the program, the fair market value
31 of drugs procured through the program would be de-
32 ducted from his income in determining his continued
33 eligibility for the program. This will prevent the
34 situation of a person becoming ineligible for contin-
35 ued benefits simply because of the money saved by the
36 individual in procuring drugs through the program.

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