

MAINE STATE LEGISLATURE

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L.D. 2001

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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1473, L.D. 2001, Bill, "An Act to Establish a Catastrophic Health Expense Program"

Amend the bill in section 2 in that part designated "§5219-J." in the first paragraph in the first line (page 1, line 10 in L.D.) by inserting after the following: "trust" the following: ', except those subject to the alternative minimum tax pursuant to section 5203-A.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

This bill repeals the nursing home care credit which provided individual nursing home residents a credit on their Maine income tax return in an amount equal to 80% of the gross receipt tax paid in the previous tax year. The repeal of the credit is an effort to avoid potential retroactive and prospective federal financial sanctions in the Medicaid program.

This bill also establishes a catastrophic health expense credit equal to 4.5% of the amount of the itemized deduction allowed for medical and dental expenses on Schedule A of the federal 1040 return. Individuals subject to the alternative minimum tax will not be eligible for the credit.

The estimated cost of the catastrophic health expense credit, approximately \$5,000,000 each fiscal year, is offset by the repeal of the nursing home credit. These changes will have no net impact on the collection of income tax revenue.'

COMMITTEE AMENDMENT

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STATEMENT OF FACT

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This amendment excludes any individual or trust that is subject to the alternative minimum tax from receiving the catastrophic health expense credit. This amendment also adds a

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fiscal note.