

MAINE STATE LEGISLATURE

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L.D. 2001

DATE: 4/12/94

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STATE OF MAINE
SENATE
116TH LEGISLATURE
SECOND REGULAR SESSION

SENATE 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 2nd line (page 1, line 11 in L.D.) by striking out the following: "4.5%" and inserting in its place the following: '3.5%'

Further amend the bill by inserting after section 2 the following:

'Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1994-95

EDUCATION, DEPARTMENT OF

General Purpose Aid for
Local Schools

All Other \$1,111,500

Provides additional funds for General Purpose Aid for Local Schools.'

Further amend the bill by renumbering the sections to read consecutively.

SENATE AMENDMENT

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

FISCAL NOTE

1994-95

APPROPRIATIONS/ALLOCATIONS

General Fund \$1,111,500

REVENUES

General Fund \$1,111,500

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 establishes a catastrophic health expense credit equal to 3.5% of the amount of the itemized deductions allowed for medical and dental expenses on Schedule A of the federal return. The cost of this credit is \$3,888,500 in fiscal year 1994-95. This bill also provides a General Fund appropriation in fiscal year 1994-95 to the General Purpose Aid for Local Schools in the amount of \$1,111,500.

The cost of the catastrophic health expense credit and the appropriation to general purpose aid is offset by the repeal of the nursing home care credit.'

STATEMENT OF FACT

This amendment decreases the amount of the catastrophic health expense credit created by the bill from 4.5% to 3.5%. This amendment also makes an appropriation of \$1,111,500 for General Purpose Aid for Local Schools and adds a fiscal note.

SPONSORED BY: John J. Cleveland (Senator CLEVELAND)

COUNTY: Androscoggin