

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

repeal of the gross receipts
tax on nursing facility
charges.

**MENTAL HEALTH AND MENTAL
RETARDATION, DEPARTMENT OF**

Bangor Mental Health Institute

All Other (56,250) (75,000)

Deappropriates funds no
longer required due to the
repeal of the gross receipts
tax on nursing facility
charges.

**APPROPRIATION
TOTAL**

(\$4,395,330) (\$6,058,999)

Sec. 4. Allocation. The following funds are allocated from the
Federal Expenditure Fund to carry out the purposes of this Act.

1995-96 1996-97

HUMAN SERVICES, DEPARTMENT OF

**Intermediate Care -
Payments to Providers**

All Other (\$7,533,734) (\$10,327,842)

Deappropriates funds no
longer required due to the
repeal of the gross receipts
tax on nursing facility
charges.'

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

FISCAL NOTE

1995-96 1996-97

APPROPRIATIONS/ALLOCATIONS

General Fund (\$4,395,330) (\$6,058,999)
Other Funds (7,533,734) (10,327,842)

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

REVENUES

General Fund	(\$19,223,821)	(\$30,050,832)
Other Funds	(6,304,618)	(7,929,492)

This bill results in a net cost to the General Fund of \$14,828,491 in fiscal year 1995-96 and \$23,991,833 in fiscal year 1996-97.

The repeal of the gross receipts tax on nursing facilities and certain restaurants results in a loss of undedicated revenue of \$42,095,010 and \$74,678,947 in fiscal years 1995-96 and 1996-97, respectively. The tax rate imposed on certain businesses licensed for on-site consumption of liquor remains unchanged but the conversion from a gross receipts tax to a sales tax will increase General Fund revenue by \$22,871,189 and \$44,628,115, respectively. The corresponding increases in dedicated revenue to the Municipal Revenue Sharing Program is \$1,229,116 and \$2,398,350 in fiscal years 1995-96 and 1996-97, respectively.

The Bureau of Taxation will require General Fund appropriations of \$26,000 in fiscal year 1995-96 for computer modifications, printing and mailing notification of changes to taxpayers. If other bills are enacted that also make changes to the gross receipts tax, the costs properly allocated to this bill may be reduced.

The Department of Human Services will also experience a decrease in costs in the Intermediate Care - Payment to Providers program. The General Fund savings are \$4,365,080 and \$5,983,999 in fiscal years 1995-96 and 1996-97, respectively. The matching Federal Expenditure Fund savings are \$7,533,734 and \$10,327,842 in fiscal years 1995-96 and 1996-97, respectively.

The Department of Mental Health and Mental Retardation will also experience a decrease in costs at the Bangor Mental Health Institute of \$56,250 in fiscal year 1995-96 and \$75,000 in fiscal year 1996-97.

The Governor's proposed current services budget includes changes that may affect this bill's impact on the amount available for deappropriation from the Intermediate Care - Payments to Providers program. This estimate of the fiscal impact may need to be adjusted based on final legislative actions on the current services budget.'

2

STATEMENT OF FACT

4

This amendment is the minority report and adds an appropriation section, an allocation section and a fiscal note to the bill.

6