

MAINE STATE LEGISLATURE

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L.D. 1286

DATE: 6/2/95

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MINORITY
TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 910, L.D. 1286, Bill, "An Act Altering the Method of Computing the Hospital Tax"

Amend the bill by adding after section 4 and before the emergency clause the following:

Sec. 5. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1995-96 1996-97

HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers

All Other \$50,556,844 \$53,084,686

Provides funds for the nonfederal share of Medicaid program costs to replace Other Special Revenue lost due to the change in the basis for the hospital assessment.

Sec. 6. Allocation. The following funds are allocated from Other Special Revenue to carry out the purposes of this Act.

1995-96 1996-97

HUMAN SERVICES, DEPARTMENT OF

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Medical Care - Payments to Providers

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All Other (\$50,556,844) (\$53,084,686)

Deallocates funds due to the loss of Other Special Revenue resulting from the change in the basis for the hospital assessment.'

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 \$50,556,844 \$53,084,686
Other Funds (50,556,844) (53,084,686)

REVENUES

Other Funds (\$50,556,844) (\$53,084,686)

Changing the basis for the hospital assessment will reduce dedicated revenue by \$50,556,844 and \$53,084,686 in fiscal years 1995-96 and 1996-97, respectively. This dedicated revenue is currently used to support the nonfederal share of Medicaid program costs. Additional General Fund appropriations to the Department of Human Services in the same amounts will be required to replace this funding.

The repeal of the tax effective July 1, 1997 will result in future reductions of dedicated revenue and additional General Fund appropriation requests of approximately \$148,000,000 in fiscal year 1997-98 and \$158,000,000 in fiscal year 1998-99.

The additional costs to change the basis for the assessment can be absorbed by the Bureau of Taxation and the Maine Health Care Finance Commission utilizing existing budgeted resources.

The Governor's revised current services budget includes changes that may affect this bill's impact on the Medicaid program. This estimate of the fiscal impact may need to be

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COMMITTEE AMENDMENT "B" to H.P. 910, L.D. 1286

2 adjusted based on final legislative actions on the current
services budget.'

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STATEMENT OF FACT

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8 This amendment, which is the minority report of the Joint
Standing Committee on Taxation, adds an appropriation section, an
allocation section and a fiscal note to the bill.

COMMITTEE AMENDMENT