

# MAINE STATE LEGISLATURE

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M  
R. G. S.

L.D. 1741

DATE: 5-12-97

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MINORITY  
BANKING AND INSURANCE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1229, L.D. 1741, Bill, "An Act to Establish the Maine Single-payor Health Care Plan and to Restructure the State Tax System"

Amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

The estimated cost of sending this Act out to referendum will vary according to the total number of referenda enacted during the 118th Legislature to be submitted to the voters in November of 1998. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$95,000. Each additional referendum costs an additional \$7,000.

This bill is contingent upon voters accepting these provisions at the November 1998 election. If approved by the voters, this bill establishes a single-payor health care plan operated by a new department, the Department of Health Security. This bill repeals all sales tax exemptions and increases income tax rates to provide funding for the health care plan. Based upon a preliminary analysis, it appears that gross revenue will increase by approximately \$2 billion annually, exclusive of any indirect economic impacts that may result from such a substantial tax increase. Whether the net amount of revenue is sufficient to cover the cost of the plan can not be determined at this time.

The bill also has a number of additional fiscal impacts, including, but not limited to, the effect on the state employees'

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health insurance program, the Department of Human Services and  
the administrative and enforcement responsibilities of the Bureau  
of Taxation. These impacts can not be determined at this time.'

### SUMMARY

This amendment is the minority report. It adds a fiscal  
note to the bill.