



118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1816

H.P. 1279

House of Representatives, April 17, 1997

An Act to Increase the Excise Tax on Cigarettes to Support a Tobacco Prevention and Control Program and Reduce the Individual Income Tax Burden.

Reference to the Committee on Taxation suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative CAMERON of Rumford. (GOVERNOR'S BILL) Cosponsored by Senator RUHLIN of Penobscot and Representatives: BRUNO of Raymond, DAVIDSON of Brunswick, ETNIER of Harpswell, VIGUE of Winslow, WINGLASS of Auburn, Senators: CLEVELAND of Androscoggin, GOLDTHWAIT of Hancock.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §1699-A is enacted to read:

§1699-A. Tobacco Prevention and Control Program

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The department shall implement the Tobacco Prevention and 8 Control Program to reduce tobacco use amoung youth and young adults in this State and to educate citizens about the 10 detrimental health effects of secondary tobacco smoke. The program must be based on tobacco prevention and control guidelines issued by the National Cancer Institute or the Centers 12 for Disease Control and Prevention. The program must include, but is not limited to, a campaign using all forms of media to 14 raise awareness about the facts and issues of tobacco use, encouraging youth to guit or to not begin smoking, motivating 16 older smokers to quit and facilitating public receptiveness for a 18 smoke-free environment.

Sec. 2. 36 MRSA §4365, first ¶, as amended by PL 1989, c. 588, Pt. D, §1, is further amended to read:

- A tax is imposed on all cigarettes imported into this State 24 or held in this State by any person for saler-the-tax-to-be at the rate of 15.5-mills for each cigarette beginning October -1, 26 1989; -- 16.5-mills-for-each-cigarette-beginning-January-1,-1991; and-18-5 37.0 mills for each cigarette beginning July-1,--1991 28 June 1, 1997. Payment of the tax shall must be evidenced by the affixing of stamps to the packages containing the cigarettes. Ŧŧ 30 a-federal-program-similar-to-that-provided-in-Title-22-section 31857-becomes-effective7-this-tax-is-reduced by one mill-for-each 32 eigarette -- The-Governor-shall-determine-by-proclamation-when-the federal-program-has-become-effective--Nothing-contained-in-this 34 ehapter-shall-be-construed-to-impose-a-tax-on-any-transaction, the--taxation--of--which--by--this--State--is--prohibited--by--the 36 Constitution-of-the-United-States.
 - Sec. 3. 36 MRSA §4365-A, as amended by PL 1989, c. 588, Pt. 38 D, $\S2$, is repealed.

Sec. 4. 36 MRSA §§4365-B and 4365-C, as enacted by PL 1989, 42 c. 588, Pt. D, §3, are repealed.

Sec. 5. 36 MRSA §5126, first ¶, as repealed and replaced by PL 44 1989, c. 878, Pt. D, §12, is amended to read:

A resident individual shall-be is allowed \$2,000 \$2,550 for each exemption to which the individual is entitled for the 48 taxable year for federal income tax purposes, unless the taxpayer 50 is claimed as a dependent on another return. No additional exemption may be allowed for taxpayers over 65 years of age or 52 The nominal dollar amount of this section shall-be is blind. subject to annual adjustment under section 5403.

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Sec. 6. 36 MRSA §5219-L is enacted to read:

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4	§5219-L. Low-income tax credit
6	1. Generally. Except as otherwise provided by this
	section, an individual whose state taxable income is \$2,000 or
8	less is allowed a credit equal to the amount of the tax otherwise
	imposed on that individual by this Part. In no case may the
10	credit allowed by this section reduce an individual's state
	income tax liability to less than zero.
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	2. Exceptions. The following individuals are not eligible
14	for the credit allowed by this section:
16	A. An individual who is claimed as a dependent on another
	individual's income tax return; and
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	B. An individual who is subject to the state minimum tax
20	imposed by section 5203-A.
22	3. Returns not required. Notwithstanding section 5220 or
	any other provision of law, an individual who is eligible for
24	this credit is not required to file a state income tax return.
26	Sec. 7. Application. That section of this Act that enacts the
	Maine Revised Statutes, Title 36, section 5219-L and that section
28	that amends Title 36, section 5126, apply to tax years beginning
	on or after January 1, 1997. For purposes of the annual
30	inflation adjustment calculated for Title 36, section 5126 by the
	State Tax Assessor, 1997 establishes a new base year.
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	SUMMARY
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	This bill directs the Department of Human Services to
38	implement the Tobacco Prevention and Control Program and it
	raises the tax on each cigarette imported into this State to 37.0
40	mills. The bill also raises the exemption that an individual is
	entitled to for a taxable year from \$2,000 to \$2,550 and it
42	provides a low-income tax credit for qualifying individuals whose
	taxable income is less than \$2,000.
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