

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)

DATE: 5-23-97

(Filing No. H-684)

Reproduced and distributed under the direction of the Clerk of the House.

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

HOUSE AMENDMENT "A" to H.P. 1338, L.D. 1887, Bill, "An Act Regarding Health and the Prevention of Smoking"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting its place the following:

PART A

Sec. A-1. 36 MRSA §4365, as amended by PL 1989, c. 588, Pt. D, §1, is repealed and the following enacted in its place:

§4365. Rate of tax

A tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 18.5 mills for each cigarette. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.

Beginning November 1, 1997, the tax is imposed at the rate of 37 mills for each cigarette.

Sec. A-2. 36 MRSA §4365-D is enacted to read:

§4365-D. Rate of tax beginning November 1, 1997

Beginning November 1, 1997, the following provisions apply to cigarettes held for resale on that date.

1. Stamped rate. Cigarettes stamped at the rate of 18.5 mills per cigarette and held for resale after October 31, 1997 are subject to tax at the rate of 37 mills per cigarette.

enforce the cigarette tax laws.

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

TOTAL \$64,823 \$86,344

MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES, DEPARTMENT OF

Departmentwide

All Other \$9,042,393 \$15,387,932

Provides funds for residential services to persons served by the department. At the request of the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services, the State Budget Officer is authorized to transfer these amounts by Financial Order and to other Department of Mental Health, Mental Retardation and Substance Abuse Services programs in order to reflect expenditures in the proper accounts.

DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

TOTAL \$9,042,393 \$15,387,932

TREASURER OF STATE, OFFICE OF THE

State-Municipal Revenue Sharing

All Other \$9,042,393 \$15,387,932

Provides funds to increase amounts available for distribution to municipalities through the

H. of S.

HOUSE AMENDMENT "A" to H.P. 1338, L.D. 1887

2 state-municipal revenue
3 sharing program.

4

6 **TREASURER OF STATE, OFFICE OF THE**

TOTAL	\$9,042,393	\$15,387,932
TOTAL APPROPRIATIONS	\$18,149,609	\$30,862,208'

10 Further amend the bill by striking out all of the fiscal
11 note and inserting in its place the following:

14 **FISCAL NOTE**

	1997-98	1998-99
--	----------------	----------------

18 **APPROPRIATIONS/ALLOCATIONS**

20 General Fund	\$18,149,609	\$30,862,208
-----------------	--------------	--------------

22 **REVENUES**

24 General Fund	\$18,469,531	\$31,430,606
Other Funds	20,677	35,186

26 This bill will result in a net increase of General Fund
28 resources of \$319,922 and \$568,398 in fiscal years 1997-98 and
1998-99, respectively. The cost of continuing this bill's level
30 of support for the Department of Mental Health, Mental
Retardation and Substance Abuse Services is expected to increase
32 over time. The revenue from the increase in the cigarette tax is
projected to decline over time.

34 Increasing the cigarette tax effective November 1, 1997 will
36 increase General Fund revenue by \$18,084,786 in fiscal year
1997-98 and \$30,775,864 in fiscal year 1998-99.

38 The increase in price affecting the sales tax will increase
40 General Fund revenue by \$384,745 in fiscal year 1997-98 and
\$654,742 in fiscal year 1998-99. The corresponding increase in
42 dedicated revenue to the Local Government Fund for
state-municipal revenue sharing will be \$20,677 and \$35,186,
44 respectively.

46 The Bureau of Taxation will require additional General Fund
appropriations of \$64,823 and \$86,344 in fiscal years 1997-98 and
48 1998-99, respectively, for one Revenue Agent position effective
January 1, 1998, one contract investigator and related

HOUSE AMENDMENT

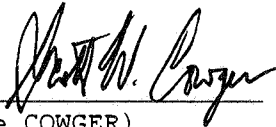
administrative expenses to administer and enforce the cigarette tax laws.

This bill also provides General Fund appropriations of \$9,042,393 and \$15,387,932 in fiscal years 1997-98 and 1998-99, respectively, to the Department of Mental Health, Mental Retardation and Substance Abuse Services for residential services for individuals served by the department.

This bill also provides General Fund appropriations of \$9,042,393 and \$15,387,932 in fiscal years 1997-98 and 1998-99, respectively, to the Office of the Treasurer of the State to increase the amount available for distribution to municipalities through the state-municipal revenue sharing program.'

SUMMARY

This amendment retains the same increase in the cigarette tax as established in the bill, but alters the distribution of the resulting revenue, with 1/2 funding property tax relief and 1/2 funding housing for adults under the care of the Department of Mental Health, Mental Retardation and Substance Abuse Services.

SPONSORED BY: 
(Representative COWGER)

TOWN: Hallowell