

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)

R. of S.

L.D. 1314

DATE: 5-7-99

(Filing No. H-494)

MINORITY
TAXATION

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

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

STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 937, L.D. 1314, Bill, "An Act to Establish Medical Savings Accounts"

Amend the bill in section 3 in paragraph L in the first line (page 1, line 28 in L.D.) by striking out the following: "subsection 3" and inserting in its place the following: 'subsection 4'

Further amend the bill in section 6 in paragraph L in subparagraph (1) in division (b) in the last line (page 2, line 32 in L.D.) by inserting after the following: "year" the following: 'included in the taxpayer's federal adjusted gross income'

Further amend the bill in section 7 in subsection 1 in the blocked paragraph in the 5th line from the end (page 3, line 4 in L.D.) by striking out the following: "Interest" and inserting in its place the following: 'For purposes of this subsection, interest'

Further amend the bill in section 11 in that part designated "S6603." in subsection 3 in the 6th line from the end (page 5, line 43 in L.D.) by striking out the following: "self-insured plan" and inserting in its place the following: 'insurance procured by the account holder'

Further amend the bill in section 11 in that part designated "S6603." in subsection 4 in the 3rd line from the end (page 6, line 10 in L.D.) by inserting after the following: "withdrawn." the following: 'An account holder subject to a penalty who is not otherwise required to file a return for income tax purposes shall

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 937, L.D. 1314

2 file an income tax return and remit the amount of the penalty to
3 the bureau by April 15th of the year following the year in which
4 the funds were withdrawn.'

6 Further amend the bill in section 11 in that part designated
7 "~~§6603.~~" in subsection 5 in the first line (page 6, line 14 in
8 L.D.) by striking out the following: "~~accounts.~~" and inserting in
its place the following: '~~contributions.~~'

10 Further amend the bill in section 11 in that part designated
11 "~~§6603.~~" in subsection 5 by inserting after paragraph C the
12 following:

14 'An employer that contributes to an individual medical savings
15 account shall report to the employee annually the amount
16 contributed for inclusion on the employee's annual income tax
17 return.'

18 Further amend the bill in section 11 in that part designated
19 "~~§6603.~~" in subsection 6 in the last line (page 6, line 28 in
20 L.D.) by inserting after the following: "holder." the following:
21 'An account holder who ceases to be a resident of this State may
22 continue to make contributions.'

24 Further amend the bill in section 11 in that part designated
25 "~~§6603.~~" by inserting after subsection 8 the following:

27 '9. Account administrator reports. An account
28 administrator shall report annually to the employee:

30 A. The amount of nontaxable deposits made to an account; and

32 B. The amount of taxable withdrawals from an account.'

34 Further amend the bill by inserting after section 11 the
35 following:

37 '**Sec. 12. Appropriation.** The following funds are appropriated
38 from the General Fund to carry out the purposes of this Act.

40 2000-01

42 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
43 **DEPARTMENT OF**

44 **Bureau of Revenue Services**

48	Positions - FTE Count	(0.541)
	Personal Services	\$14,756
50	All Other	6,000

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 937, L.D. 1314

2 TOTAL \$20,756

4 Provides funds for a part-time Tax Examiner
 6 position and a part-time Clerk II position
 8 to review affected returns and enter data
 and for additional computer programming
 costs to add a line to the corporate income
 tax return.'

10 Further amend the bill by inserting at the end before the
12 summary the following:

14 FISCAL NOTE

16

	1999-00	2000-01
18 APPROPRIATIONS/ALLOCATIONS		
20 General Fund		\$20,756

22 REVENUES

24 General Fund	(\$2,319,366)	(\$4,509,316)
26 Other Funds	(124,645)	(242,334)

28

30 The establishment of medical savings accounts will decrease
 32 individual and corporate income tax collections by a combined
 total of \$2,444,011 in fiscal year 1999-00 and \$4,751,650 in
 34 fiscal year 2000-01. The reduction of these tax collections will
 decrease the amounts transferred to the Local Government Fund for
 36 state-municipal revenue sharing in those years by \$124,645 and
 \$242,334, respectively. The resulting net reductions of General
 Fund revenue will be \$2,319,366 in fiscal year 1999-00 and
 38 \$4,509,316 in fiscal year 2000-01.

40 The Bureau of Revenue Services will incur additional costs
 42 estimated to be \$20,756 in fiscal year 2000-01 for 2 part-time
 positions, a Tax Examiner position and a Clerk II position, and
 computer programming costs to implement this new tax program.
 44 This bill includes an additional General Fund appropriation in
 46 fiscal year 2000-01 to fund these additional costs.'

COMMITTEE AMENDMENT

H. of S.

COMMITTEE AMENDMENT "A" to H.P. 937, L.D. 1314

2

SUMMARY

4

This amendment makes changes to clarify the intent of the bill, to make corrections and to improve its administrability. The amendment also adds an appropriation section and a fiscal note to the bill.

6

8