

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 146

S.P. 52

In Senate, January 13, 2005

An Act To Repeal the Tax on Private Nonmedical Institutions

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DAVIS of Piscataquis.

Cosponsored by Senator DOW of Lincoln, Representatives: BRYANT-DESCHENES of Turner, CRAVEN of Lewiston, MAREAN of Hollis, McKANE of Newcastle, Representative TARDY of Newport and

Senators: HASTINGS of Oxford, NASS of York, ROSEN of Hancock, WESTON of Waldo, WOODCOCK of Franklin, Representatives: CARR of Lincoln, EDGECOMB of Caribou, THOMAS of Ripley.

2 **Emergency preamble. Whereas,** acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 **Whereas,** Public Law 2003, chapter 673 imposed a 5% tax on
services rendered by private nonmedical institutions that provide
services to 4 or more MaineCare-eligible residents and other
8 residents in a facility licensed by the Department of Health and
Human Services; and

10
12 **Whereas,** the imposition of this tax is harmful to such
institutions and the patients of those institutions; and

14 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
16 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
18 safety; now, therefore,

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

22 **Sec. 1. 36 MRSA §2552, sub-§1, ¶¶E and F,** as enacted by PL
2003, c. 673, Pt. V, §25 and affected by §29, are amended to read:

24 E. Telecommunications services; and

26 F. The installation, maintenance or repair of
28 telecommunications equipment; and.

30 **Sec. 2. 36 MRSA §2552, sub-§1, ¶G.** as enacted by PL 2003, c.
673, Pt. V, §25 and affected by §29, is repealed.

32 **Sec. 3. 36 MRSA §2557, sub-§4,** as enacted by PL 2003, c. 673,
34 Pt. V, §25 and affected by §29, is amended to read:

36 **4. Other institutions.** Sales to incorporated private
nonprofit residential child care institutions that are licensed
38 by the Department of Human Services as child care institutions
and sales to private nonmedical institutions;

40
42 **Sec. 4. 36 MRSA §2559,** as enacted by PL 2003, c. 673, Pt. V,
§25 and affected by §29, is amended to read:

44 **§2559. Application of revenues**

46 Revenues derived by the tax imposed by this chapter must be
credited to a General Fund suspense account. On or before the
48 last day of each month, the State Controller shall transfer a
percentage of the revenues received by the State Tax Assessor
50 during the preceding month pursuant to the tax imposed by section

2552, subsection 1, paragraphs A to F to the Local Government
Fund as provided by Title 30-A, section 5681, subsection 5. The
balance remaining in the General Fund suspense account must be
transferred to service provider tax General Fund revenue. On or
before the 15th day of each month, the State Controller shall
transfer all revenues received by the assessor during the
preceding month pursuant to the tax imposed by section 2552,
subsection 1, paragraph C to the Medical Care Services Other
Special Revenue Funds account in the Department of Human Services
or the Other Special Revenue funds Mental Health Services
Community Medicaid program, the Medicaid Services Mental
Retardation program and the Office of Substance Abuse Medicaid
Seed program within the Department of Behavioral and
Developmental Services.

Emergency clause. In view of the emergency cited in the
preamble, this Act takes effect when approved.

SUMMARY

This bill repeals the 5% service provider tax imposed on
private nonmedical institutions.