

MAINE STATE LEGISLATURE

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10/8

L.D. 687

DATE: 5-11-05

(Filing No. S-164)

HEALTH AND HUMAN SERVICES

Reported by:

MINORITY

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 224, L.D. 687, Bill, "An Act To Amend the Hospital Tax"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 36 MRSA §2892, as amended by PL 2005, c. 12, Pt. ZZ, §2, is further amended to read:

§2892. Tax imposed

For the state fiscal year beginning on July 1, 2003, a tax is imposed against each hospital in the State. The tax is equal to .74% of net operating revenue for the tax year as identified on the hospital's most recent audited annual financial statement for that tax year. Delinquent tax payments are subject to Title 22, section 3175-C.

For state fiscal years beginning on or after July 1, 2004, a tax is imposed annually against each hospital in the State. The tax is equal to 2.23% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's taxable year. For the state fiscal year beginning July 1, 2004, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2002. For the state fiscal year beginning July 1, 2005, the hospital's taxable year is the hospital's fiscal year that ended during calendar year

COMMITTEE AMENDMENT

R.O.S.

COMMITTEE AMENDMENT "A" to S.P. 224, L.D. 687

2003. ~~For state fiscal years beginning on or after July 1, 2006, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2004.~~

For state fiscal years beginning on or after July 1, 2006, a tax is imposed against each hospital in the State. The tax is equal to .74% of net operating revenue for the tax year as identified on the hospital's most recent audited annual financial statement for that tax year. Delinquent tax payments are subject to Title 22, section 3175-C.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers 0147

Initiative: Adjusts appropriations and allocations to reflect changes to the hospital tax.

GENERAL FUND	2005-06	2006-07
All Other	\$17,608,487	\$24,187,265
GENERAL FUND TOTAL	\$17,608,487	\$24,187,265
FEDERAL EXPENDITURES FUND	2005-06	2006-07
All Other	(\$17,963,351)	(\$24,660,418)
FEDERAL EXPENDITURES FUND TOTAL	(\$17,963,351)	(\$24,660,418)
OTHER SPECIAL REVENUE FUNDS	2005-06	2006-07
All Other	(\$27,208,970)	(\$37,366,985)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$27,208,970)	(\$37,366,985)

SUMMARY

This amendment is the minority amendment of the committee. This amendment adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 687

LR 1803(02)

An Act To Amend the Hospital Tax

Fiscal Note for Bill as Amended by Committee Amendment **A**

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$17,608,487	\$24,187,265	\$24,187,265	\$24,187,265
Expenditures/Allocations				
General Fund	\$17,608,487	\$24,187,265	\$24,187,265	\$24,187,265
Federal Expenditures Fund	(\$17,963,351)	(\$24,660,418)	(\$24,660,418)	(\$24,660,418)
Other Special Revenue Funds	(\$27,208,970)	(\$37,366,985)	(\$37,366,985)	(\$37,366,985)
Revenue				
Federal Expenditures Fund	(\$23,951,135)	(\$24,660,418)	(\$24,660,418)	(\$24,660,418)
Other Special Revenue Funds	(\$27,208,970)	(\$37,366,985)	(\$37,366,985)	(\$37,366,985)

Fiscal Detail and Notes

Assumes a reduction of hospital tax Other Special Revenue (OSR) Funds revenue as a result of reducing the rate from 2.23% to .74%. Assumes a reduction in OSR and federal allocations consistent with a reduction in the increased payments to hospitals and the shifting of General Fund costs to OSR Funds. And lastly, assumes the General Fund savings that were achieved by shifting formerly General Fund costs to OSR Funds would be reduced if the tax is reduced. Assumes a 10/1/05 effective date.