

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 687

S.P. 224

In Senate, February 10, 2005

An Act To Amend the Hospital Tax

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 DOW of Lincoln.
Cosponsored by Representative McKANE of Newcastle and
Senator: CLUKEY of Aroostook, Representatives: BISHOP of Boothbay, RECTOR of
Thomaston, TRAHAN of Waldoboro.

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

4 **Sec. 1. 36 MRSA §2892**, as amended by PL 2003, c. 673, Pt. HH,
§3 and affected by §§6 and 7, is further amended to read:

6 **§2892. Tax imposed**

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

14 For state fiscal years beginning on ~~or after~~ July 1, 2004
16 and July 1, 2005, a tax is imposed annually against each hospital
in the State. The tax is equal to 2.23% of net operating revenue
18 used in the determination of the tax due for the state fiscal
year beginning on July 1, 2003.

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

28 **SUMMARY**

30 Public Law 2003, chapter 673, Part HH increased the tax
32 imposed on hospitals from .74% to 2.23% of net operating
revenues. This bill returns the tax rate to the original rate of
34 .74%.