

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1314

H.P. 912

House of Representatives, March 15, 2005

### An Act To Provide Safety Net Funds

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative PINGREE of North Haven.

Cosponsored by Representatives: CRAVEN of Lewiston, DUDLEY of Portland, FAIRCLOTH of Bangor, LERMAN of Augusta, PERRY of Calais, WEBSTER of Freeport.

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

4 **Sec. 1. 36 MRSA §4365**, as amended by PL 2003, c. 705, §6, is  
further amended to read:

6 **§4365. Rate of tax**

8 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 ~~47-~~  
10 49 mills for each cigarette. Payment of the tax is evidenced by  
the affixing of stamps to the packages containing the cigarettes.

12 **Sec. 2. 36 MRSA §4365-E**, as enacted by PL 2001, c. 439, Pt.  
14 SSSS, §2, is amended to read:

16 **§4365-E. Application of cigarette tax rate increase effective**  
18 **November 1, 2005**

The following provisions apply to cigarettes held for resale  
20 on ~~October 1, 2001~~ November 1, 2005.

22 **1. Stamped rate.** Cigarettes stamped at the rate of ~~37~~ 47  
mills per cigarette and held for resale after ~~September 30, 2001~~  
24 October 31, 2005 are subject to tax at the rate of ~~47~~ 49 mills  
per cigarette.

26 **2. Liability.** A person possessing cigarettes for resale is  
28 liable for the difference between the tax rate of ~~47~~ 49 mills  
per cigarette and the tax rate of ~~37~~ 47 mills per cigarette in  
30 effect before ~~October 1, 2001~~ November 1, 2005. Stamps  
indicating payment of the tax imposed by this section must be  
32 affixed to all packages of cigarettes held for resale as of  
~~October 1, 2001~~ November 1, 2005, except that cigarettes held in  
34 vending machines as of that date do not require that stamp.

36 **3. Vending machines.** Notwithstanding any other provision  
of this chapter, it is presumed that all cigarette vending  
38 machines are filled to capacity on ~~October 1, 2001~~ November 1,  
2005 and that the tax imposed by this section must be reported on  
40 that basis. A credit against this inventory tax must be allowed  
for cigarettes stamped at the rate of ~~47~~ 49 mills per cigarette  
42 placed in vending machines before ~~October 1, 2001~~ November 1,  
2005.

44 **4. Payment.** Payment of the tax imposed by this section  
46 must be made to the State Tax Assessor by ~~January 1, 2002~~ January  
15, 2006, accompanied by forms prescribed by the assessor.

48 **Sec. 3. Appropriations and allocations.** The following  
50 appropriations and allocations are made.

2       **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

4       **Bureau of Health 0143**

6       Initiative: Appropriates funds to provide grants to federally  
8       qualified health centers and federal Indian Health  
9       Service-supported centers to provide primary health care to  
10       low-income, uninsured and underinsured individuals.

10 <b>GENERAL FUND</b>	2005-06	2006-07
12           All Other	\$1,750,000	\$3,000,000
14       GENERAL FUND TOTAL	<u>\$1,750,000</u>	<u>\$3,000,000</u>

16           **Sec. 4. Effective date.** That section of this Act that amends  
18       the Maine Revised Statutes, Title 36, section 4365 takes effect  
19       November 1, 2005.

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**SUMMARY**

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This bill increases the cigarette tax by 4¢ and appropriates funds for the Department of Health and Human Services, Bureau of Health to provide grants to federally qualified health centers and federal Indian Health Service-supported centers.