

MAINE STATE LEGISLATURE

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Date: 4-8-16

(Filing No. S-503)

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STATE OF MAINE
SENATE
127TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 312, L.D. 867, Bill, "An Act To Provide Tax Fairness and To Lower Medical Expenses for Patients under the Maine Medical Use of Marijuana Act"

Amend the amendment by striking out everything after the title and inserting the following:

Sec. 1. 22 MRSA §2430, sub-§3, as enacted by PL 2009, c. 631, §45 and affected by §51, is amended to read:

3. Uses of the fund. The fund may be used for expenses of the department to administer this chapter, as allocated by the Legislature. To the extent that funds remain in the fund after the expenses of the department to administer this chapter, any remaining funds must be used to fund the cost of the tax deductions provided pursuant to Title 36, section 5122, subsection 2, paragraphs PP and QQ and Title 36, section 5200-A, subsection 2, paragraph BB. By June 1st annually, the State Tax Assessor shall determine the cost of those deductions during the prior calendar year and report that amount to the State Controller, who shall transfer that amount from the remaining funds in the fund to the General Fund.

Sec. 2. 36 MRSA §5122, sub-§2, ¶¶PP and QQ are enacted to read:

PP. For taxable years beginning on or after January 1, 2016, an amount equal to the deduction disallowed under the Code, Section 280E related to carrying on a trade or business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

QQ. For taxable years beginning on or after January 1, 2016, an amount equal to the amount paid for medical marijuana purchased in accordance with the Maine Medical Use of Marijuana Act by a qualifying patient, as defined in Title 22, section 2422, subsection 9, except that the amount that may be subtracted under this paragraph is limited to the amount that exceeds the applicable threshold under the Code, Sections 213(a) and 213(f) when added to the allowable medical expense deduction under the Code, Section 213.

Sec. 3. 36 MRSA §5200-A, sub-§2, ¶BB is enacted to read:

1 BB. For taxable years beginning on or after January 1, 2016, an amount equal to the
2 deduction disallowed under the Code, Section 280E related to carrying on a trade or
3 business as a registered dispensary as defined in Title 22, section 2422, subsection 6.

4 **Sec. 4. Appropriations and allocations.** The following appropriations and
5 allocations are made.

6 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

7 **Revenue Services, Bureau of 0002**

8 Initiative: Provides funding for computer programming costs. .

| | | | |
|----|---------------------------|----------------|-----------------|
| 9 | GENERAL FUND | 2015-16 | 2016-17 |
| 10 | All Other | \$0 | \$33,000 |
| 11 | | | |
| 12 | GENERAL FUND TOTAL | <u>\$0</u> | <u>\$33,000</u> |
| 13 | | | |

14 **SUMMARY**

15 This amendment changes the effective date of the bill as amended by Committee
16 Amendment "A" to January 1, 2016. It also transfers funds remaining in the Medical Use
17 of Marijuana Fund after the expenses of the Department of Health and Human Services to
18 the General Fund for the purpose of funding tax deductions for medical marijuana
19 dispensary business expenses and for the cost of medical marijuana purchased by
20 qualified patients under the Maine Medical Use of Marijuana Act.

21 This amendment also changes the allocation of the deductions in the Maine Revised
22 Statutes.

23 **FISCAL NOTE REQUIRED**

24 (See attached)

25 SPONSORED BY: 

26 (Senator HAMPER)

27 COUNTY: Oxford



127th MAINE LEGISLATURE

LD 867

LR 1050(05)

An Act To Provide Tax Fairness and To Lower Medical Expenses for Patients under the Maine Medical Use of Marijuana Act

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Hamper of Oxford

Fiscal Note Required: Yes

(S-503)

Fiscal Note

| | FY 2015-16 | FY 2016-17 | Projections FY 2017-18 | Projections FY 2018-19 |
|-----------------------------------|-------------|-------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | (\$255,300) | (\$253,650) | (\$272,650) | (\$286,900) |
| Appropriations/Allocations | | | | |
| General Fund | (\$33,000) | \$33,000 | \$0 | \$0 |
| Revenue | | | | |
| General Fund | \$222,300 | \$0 | \$0 | \$0 |
| Other Special Revenue Funds | \$11,700 | \$0 | \$0 | \$0 |
| Transfers | | | | |
| General Fund | \$0 | \$286,650 | \$272,650 | \$286,900 |
| Other Special Revenue Funds | \$0 | (\$286,650) | (\$272,650) | (\$286,900) |

Fiscal Detail and Notes

This amendment changes the effective date from taxable years on or after 1-1-15 to taxable years on or after 1-1-16. The General Fund appropriation is moved from fiscal year 2015-16 to fiscal year 2016-17 and the revenue loss from fiscal year 2015-16 is removed. This amendment requires a transfer to the extent funds are available from the Medical Use of Marijuana Fund to the General Fund unappropriated surplus to offset the cost of certain tax deductions and computer programming required for these deduction changes related to medical marijuana in the bill. By June 1st annually, the State Tax Assessor shall determine the cost of those deductions during the prior calendar year and report that amount to the State Controller who shall transfer that amount from the Medical Use Marijuana Fund to the General Fund. The annual transfer will offset the General Fund cost of the bill annually.