

MAINE STATE LEGISLATURE

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OME
ROFS

L.D. 1600

Date:

6/1/17

Minority

(Filing No. H-388)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1103, L.D. 1600, Bill, "An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded by a Tax Imposed upon the Sale of Opioids"

Amend the bill by striking out the title and substituting the following:

'An Act To Fund Opioid Treatment by Establishing an Excise Tax on Manufacturers of Opioids'

Amend the bill by striking out all of section 1.

Amend the bill in section 2 in §4921 in subsection 1 by striking out all of paragraph F (page 1, lines 34 and 35 in L.D.)

Amend the bill in section 2 in §4921 by striking out all of subsection 2 (page 2, lines 1 to 4 in L.D.) and inserting the following:

'2. Tax imposed; rate. An excise tax is imposed on the manufacture of opioids for distribution in this State. The tax is imposed on the manufacturers of the opioids distributed in the State at the rate of 0.1¢ per morphine milligram equivalent. The tax does not apply to opioids that are used for the purpose of medication-assisted treatment of substance use disorder.'

Amend the bill in section 2 in §4921 in subsection 4 in the last 2 lines (page 2, lines 9 and 10 in L.D.) by striking out the following: "the Opioid Addiction Prevention and Rehabilitation Program Fund established by Title 22, section 2354" and inserting the following: 'a special account to be used by the Department of Health and Human Services for the Opioid Health Home Program established in Public Law 2017, chapter 2'

Amend the bill in section 2 in §4921 by inserting at the end the following:

'5. Rules. The State Tax Assessor may adopt rules to facilitate administration of this section including specifying the timing and procedures for paying the tax and requiring pharmacies or other persons in the State to provide information to the assessor identifying manufacturers of opioids distributed in the State and the volume of opioids distributed by

COMMITTEE AMENDMENT

1 each manufacturer. Rules adopted under this subsection are routine technical rules under
 2 Title 5, chapter 375, subchapter 2-A.

3 6. Identification of opioids used for medication-assisted treatment. By
 4 December 1, 2017 and annually thereafter, the Maine Board of Pharmacy shall identify
 5 opioids that are used in medication-assisted treatment and notify the State Tax Assessor
 6 of those opioids.

7 **Sec. 3. Appropriations and allocations.** The following appropriations and
 8 allocations are made.

9 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 10 **Revenue Services, Bureau of 0002**

11 Initiative: Provides funding for one Tax Examiner position and related costs to process
 12 and administer an excise tax on manufacturers of opioids.

13	GENERAL FUND	2017-18	2018-19
14	POSITIONS - LEGISLATIVE COUNT	1,000	1,000
15	Personal Services	\$73,317	\$75,516
16	All Other	\$3,465	\$3,465
17			
18	GENERAL FUND TOTAL	<u>\$76,782</u>	<u>\$78,981</u>

19 **Revenue Services, Bureau of 0002**

20 Initiative: Provides one-time funding for programming costs to establish a new tax on
 21 manufacturers of opioids.

22	GENERAL FUND	2017-18	2018-19
23	All Other	\$100,000	\$0
24			
25	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$0</u>

26 **ADMINISTRATIVE AND FINANCIAL**
 27 **SERVICES, DEPARTMENT OF**
 28 **DEPARTMENT TOTALS**

29		2017-18	2018-19
30	GENERAL FUND	\$176,782	\$78,981
31			
32	DEPARTMENT TOTAL - ALL FUNDS	<u>\$176,782</u>	<u>\$78,981</u>

33 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)**

34 **Office of Substance Abuse and Mental Health Services 0679**

35 Initiative: Provides an allocation to the Opioid Health Home Program.

1	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
2	All Other	\$4,300,000	\$6,500,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$4,300,000</u>	<u>\$6,500,000</u>
5	HEALTH AND HUMAN SERVICES,		
6	DEPARTMENT OF (FORMERLY BDS)		
7	DEPARTMENT TOTALS	2017-18	2018-19
8			
9	OTHER SPECIAL REVENUE FUNDS	\$4,300,000	\$6,500,000
10			
11	DEPARTMENT TOTAL - ALL FUNDS	<u>\$4,300,000</u>	<u>\$6,500,000</u>
12	SECTION TOTALS	2017-18	2018-19
13			
14	GENERAL FUND	\$176,782	\$78,981
15	OTHER SPECIAL REVENUE FUNDS	\$4,300,000	\$6,500,000
16			
17	SECTION TOTAL - ALL FUNDS	<u>\$4,476,782</u>	<u>\$6,578,981</u>
18			

SUMMARY

20 This amendment provides that the tax on opioids that the bill proposes must be paid
 21 by manufacturers of opioids that are distributed in the State and changes the rate of tax to
 22 0.1¢ per morphine milligram equivalent. The amendment removes wholesalers from the
 23 provisions of the bill and a provision basing the tax on the first sale within the State. The
 24 amendment excludes from the tax opioids that are used in medication-assisted treatment
 25 of substance use disorder and directs the Maine Board of Pharmacy to provide a list of
 26 those medications to the State Tax Assessor annually.

27 The amendment strikes from the bill the section establishing the Opioid Addiction
 28 Prevention and Rehabilitation Program and provides that revenue from the tax must be
 29 deposited in a special account to be used by the Department of Health and Human
 30 Services for the Opioid Health Home Program.

31 The amendment authorizes the State Tax Assessor to adopt rules to facilitate
 32 administration of this tax including requiring pharmacies or other persons in the State to
 33 provide information identifying manufacturers of opioids distributed in the State and the
 34 volume of opioids distributed by each manufacturer.

35



128th MAINE LEGISLATURE

LD 1600

LR 2346(02)

An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded
by a Tax Imposed upon the Sale of Opioids

Fiscal Note for Bill as Amended by Committee Amendment *A(H-388)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$176,782	\$78,981	\$81,247	\$83,580
Appropriations/Allocations				
General Fund	\$176,782	\$78,981	\$81,247	\$83,580
Other Special Revenue Funds	\$4,300,000	\$6,500,000	\$6,500,000	\$6,500,000
Revenue				
General Fund	\$0	\$0	\$0	\$0
Other Special Revenue Funds	\$4,300,000	\$6,500,000	\$6,500,000	\$6,500,000

Fiscal Detail and Notes

The bill includes General Fund appropriations of \$176,782 in fiscal year 2017-18 and \$78,981 in fiscal year 2018-19 for one Tax Examiner position and related costs to process and administer an excise tax on manufacturers of opioids. The appropriation in fiscal year 2017-18 includes one-time funding of \$100,000 for programming costs to establish the new tax within the tax system.

The bill includes Other Special Revenue Funds allocations to the Department of Health and Human Services of \$4,300,000 in fiscal year 2017-18 and \$6,500,000 in fiscal year 2018-19 for the Opioid Health Home Program with funding coming from the revenue received from the excise tax on manufacturers of opioids.

Additional costs to the Department of Professional and Financial Regulation, Maine Board of Pharmacy, to annually identify opioids used in medication-assisted treatment and to notify the State Tax Assessor can be absorbed within existing budgeted resources.