

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

EAC
ROS

L.D. 1423

Date: 6-15-21

(Filing No. H-642)

MAJORITY
TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1039, L.D. 1423, "An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors"

Amend the bill by striking out all of section 5 and inserting the following:

Sec. 5. 36 MRSA §4366-A, sub-§2, ¶D, as amended by PL 2007, c. 438, §93, is further amended to read:

D. For stamps at the face value of 100 mills, the discount rate is 1.15%; and

Sec. 6. 36 MRSA §4366-A, sub-§2, ¶E is enacted to read:

E. For stamps at the face value of 200 mills, the discount rate is 0.575%.

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

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

Initiative: Provides one-time funding for programming costs to update 3 tax returns, mailing costs for notices to retailers, travel costs for auditors and potential cost for destroying \$2.00 cigarette stamps.

| | | |
|---------------------------|-----------------|----------------|
| GENERAL FUND | 2021-22 | 2022-23 |
| All Other | \$49,778 | \$0 |
| GENERAL FUND TOTAL | \$49,778 | \$0 |

ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS

2021-22 2022-23

COMMITTEE AMENDMENT

ROS

| | | | |
|----|--|---------------------|---------------------|
| 2 | GENERAL FUND | \$49,778 | \$0 |
| 3 | | | |
| 4 | DEPARTMENT TOTAL - ALL FUNDS | \$49,778 | \$0 |
| 5 | HEALTH AND HUMAN SERVICES, DEPARTMENT OF | | |
| 6 | Maine Center for Disease Control and Prevention 0143 | | |
| 7 | Initiative: Appropriates funds for the 2022-2023 biennium only in order to allow the Maine | | |
| 8 | Center for Disease Control and Prevention to research, identify and reduce health | | |
| 9 | disparities in health care outcomes based on race, ethnicity, sexual orientation, gender | | |
| 10 | identification, income, educational attainment or geographic location. | | |
| 11 | GENERAL FUND | 2021-22 | 2022-23 |
| 12 | All Other | \$10,000,000 | \$10,000,000 |
| 13 | | | |
| 14 | GENERAL FUND TOTAL | \$10,000,000 | \$10,000,000 |
| 15 | Maine Center for Disease Control and Prevention 0143 | | |
| 16 | Initiative: Appropriates funds for tobacco use prevention and cessation to attain, for the | | |
| 17 | 2022-2023 biennium, the amount recommended for the State by the United States | | |
| 18 | Department of Health and Human Services, Centers for Disease Control and Prevention. | | |
| 19 | GENERAL FUND | 2021-22 | 2022-23 |
| 20 | All Other | \$7,000,000 | \$7,000,000 |
| 21 | | | |
| 22 | GENERAL FUND TOTAL | \$7,000,000 | \$7,000,000 |
| 23 | | | |
| 24 | HEALTH AND HUMAN SERVICES, | | |
| 25 | DEPARTMENT OF | | |
| 26 | DEPARTMENT TOTALS | 2021-22 | 2022-23 |
| 27 | | | |
| 28 | GENERAL FUND | \$17,000,000 | \$17,000,000 |
| 29 | | | |
| 30 | DEPARTMENT TOTAL - ALL FUNDS | \$17,000,000 | \$17,000,000 |
| 31 | | | |
| 32 | SECTION TOTALS | 2021-22 | 2022-23 |
| 33 | | | |
| 34 | GENERAL FUND | \$17,049,778 | \$17,000,000 |
| 35 | | | |
| 36 | SECTION TOTAL - ALL FUNDS | \$17,049,778 | \$17,000,000 |

38 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 39 number to read consecutively.

RQS

SUMMARY

2
3
4
5
6
7

This amendment amends the law to provide that the amount received as a discount by licensed tobacco distributors for cigarette stamp purchases will not be increased as a result of the increase in the amount of tax on cigarettes. The amendment also includes an appropriation to cover the costs of implementing the changes in the bill.

FISCAL NOTE REQUIRED

(See attached)



130th MAINE LEGISLATURE

LD 1423

LR 1104(02)

An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors

Fiscal Note for Bill as Amended by Committee Amendment *A(H-642)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | FY 2021-22 | FY 2022-23 | Projections FY 2023-24 | Projections FY 2024-25 |
|-----------------------------------|----------------|----------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | (\$40,471,222) | (\$54,864,375) | (\$63,713,500) | (\$62,835,500) |
| Appropriations/Allocations | | | | |
| General Fund | \$17,049,778 | \$17,000,000 | \$7,000,000 | \$7,000,000 |
| Revenue | | | | |
| General Fund | \$57,521,000 | \$71,864,375 | \$70,713,500 | \$69,835,500 |
| Other Special Revenue Funds | (\$21,000) | (\$54,375) | (\$73,500) | (\$75,500) |

Fiscal Detail and Notes

The bill increases the tax on cigarettes from \$2 per pack to \$4 per pack and increases the tax on tobacco products by the same percentage increase. It will result in an increase in General Fund revenue of \$57,521,000 in fiscal year 2021-22 and \$71,864,375 in fiscal year 2022-23. It will result in a reduction in Local Government Fund revenue of \$21,000 in fiscal year 2021-22 and \$54,375 in fiscal year 2022-23. The bill includes a one-time General Fund appropriation of \$49,778 in fiscal year 2021-22 to the Department of Administrative and Financial Services for programming costs to update 3 tax returns, mailing costs for notices to retailers, travel costs for auditors and potential cost for destroying \$2.00 cigarette stamps.

The bill includes General Fund appropriations to the Department of Health and Human Services of \$17,000,000 in fiscal year 2021-22 and \$17,000,000 in fiscal year 2022-23 for tobacco use prevention and cessation funding to attain, for the 2022-2023 biennium, the amount recommended for the State by the United States Department of Health and Human Services, Centers for Disease Control and Prevention and to allow the Maine Center for Disease Control and Prevention to research, identify and reduce health disparities in health care outcomes based on race, ethnicity, sexual orientation, gender identification, income, educational attainment or geographic location.