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Date: (Filing No. H-)

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION**

HOUSE AMENDMENT “ ” to COMMITTEE AMENDMENT “A” to S.P. 600, L.D. 1746, Bill, “An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2012 and June 30, 2013”

Amend the amendment by striking out all of Parts Z and GG.
Amend the amendment by inserting after Part HH the following:

'PART II

Sec. II-1. Appropriations and allocations. The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)
Mental Health Services - Child Medicaid 0731**

Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of age with income less than or equal to 150% of the nonfarm income official poverty line.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$238,173
GENERAL FUND TOTAL	<hr/>	<hr/>
	\$0	\$238,173

Mental Health Services - Children 0136

Initiative: Provides funds to offset a reduction in contracts for residential services in Part A of this Act.

1	GENERAL FUND	2011-12	2012-13
2	All Other	\$0	\$1,250,000
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,250,000</u>

5 **Mental Health Services - Community Medicaid 0732**

6 Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of
7 age with income less than or equal to 150% of the nonfarm income official poverty line.

8	GENERAL FUND	2011-12	2012-13
9	All Other	\$0	\$138,229
10			
11	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$138,229</u>

12 **HEALTH AND HUMAN SERVICES,**
13 **DEPARTMENT OF (FORMERLY BDS)**
14 **DEPARTMENT TOTALS**

15		2011-12	2012-13
16	GENERAL FUND	\$0	\$1,626,402
17			
18	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$1,626,402</u>

19 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**
20 **Head Start 0545**

21 Initiative: Restores funding for the Head Start program.

22	GENERAL FUND	2011-12	2012-13
23	All Other	\$0	\$2,000,000
24			
25	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$2,000,000</u>

26 **Medical Care - Payments to Providers 0147**

27 Initiative: Restores funding for Medicaid services for a parent or a caretaker relative of an
28 eligible child from a maximum of 133% of the federal poverty level to 100%.

29	GENERAL FUND	2011-12	2012-13
30	All Other	\$0	\$5,866,833
31			
32	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$5,866,833</u>

1	FEDERAL EXPENDITURES FUND	2011-12	2012-13
2	All Other	\$0	\$10,106,031
3			
4	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$10,106,031</u>
5	Medical Care - Payments to Providers 0147		
6	Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of		
7	age with income less than or equal to 150% of the nonfarm income official poverty line.		
8	GENERAL FUND	2011-12	2012-13
9	All Other	\$0	\$3,653,598
10			
11	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$3,653,598</u>
12	FEDERAL EXPENDITURES FUND	2011-12	2012-13
13	All Other	\$0	\$6,941,958
14			
15	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$6,941,958</u>
16	State-funded Foster Care/Adoption Assistance 0139		
17	Initiative: Provides funds to offset a reduction in contracts in the family reunification		
18	program in Part A of this Act.		
19	GENERAL FUND	2011-12	2012-13
20	All Other	\$0	\$1,249,500
21			
22	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,249,500</u>
23	HEALTH AND HUMAN SERVICES,		
24	DEPARTMENT OF (FORMERLY DHS)		
25	DEPARTMENT TOTALS	2011-12	2012-13
26			
27	GENERAL FUND	\$0	\$12,769,931
28	FEDERAL EXPENDITURES FUND	\$0	\$17,047,989
29			
30	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$29,817,920</u>

1	SECTION TOTALS	2011-12	2012-13
2			
3	GENERAL FUND	\$0	\$14,396,333
4	FEDERAL EXPENDITURES FUND	\$0	\$17,047,989
5			
6	SECTION TOTAL - ALL FUNDS	\$0	\$31,444,322

7 **PART JJ**

8 **Sec. JJ-1. 36 MRSA §5117** is enacted to read:

9 **§5117. Tax equalization**

10 For tax years beginning on or after January 1, 2012, a tax equalization payment is
 11 imposed on every resident individual who is determined, solely on the basis of expanded
 12 income and with respect to the most recent tax incidence analysis report filed with the
 13 Legislature under section 200, to fall within the top 1% of Maine resident individual
 14 taxpayers.

15 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
 16 following terms have the following meanings.

17 A. "Expanded income" means the income of the taxpayer determined pursuant to
 18 section 6201, subsection 9.

19 B. "State and local tax burden" means the average effective tax rate of all state and
 20 local taxes paid by all individual taxpayers in a class of taxpayers.

21 C. "Tax equalization gap" means the difference between the state and local tax
 22 burden for the top 1% of taxpayers and the state and local tax burden for the bottom
 23 99% of taxpayers based on expanded income as identified in the most recent tax
 24 incidence analysis report filed with the Legislature under section 200.

25 **2. Partial tax equalization rate.** By September 15, 2012 and annually thereafter,
 26 the State Tax Assessor shall calculate the tax equalization gap. The partial tax
 27 equalization rate is the lesser of the tax equalization gap and the rate specified in this
 28 subsection and may not be less than zero. The partial tax equalization rate specified in
 29 this subsection applies to the tax years that begin during the calendar year during which
 30 the rate is calculated. For tax years beginning on or after January 1, 2012, the partial tax
 31 equalization rate is .288%.

32 **3. Tax equalization payment amount.** The tax equalization payment amount under
 33 this section for any taxable year is equal to the partial tax equalization rate for that taxable
 34 year determined in accordance with subsection 2 multiplied by the expanded income of
 35 the taxpayer for the taxable year. For the purposes of this subsection, the expanded
 36 income of the taxpayer is the total expanded income for the income tax filing unit
 37 regardless of income tax filing status.

38 **4. Payment; enforcement.** The State Tax Assessor shall provide for the reporting
 39 and payment of the tax equalization payment on individual income tax forms. The tax
 40 equalization payment is not income tax for the purposes of this Part. The provisions of

1 this Title applying to the collection and enforcement of income taxes apply to the
2 collection and enforcement of the tax equalization payment except that an obligation to
3 pay estimated taxes under section 5228 does not apply with regard to the tax equalization
4 payment. Income tax credits available under chapter 822 do not apply with regard to the
5 tax equalization payment.

6 **5. Rules.** The State Tax Assessor may adopt rules, which are routine technical rules
7 pursuant to Title 5, chapter 375, subchapter 2-A, to implement this section.'

8 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
9 or section number to read consecutively.

10 **SUMMARY**

11 This amendment restores funding to support health for Maine families, including
12 MaineCare coverage for persons 19 and 20 years of age; residential care for children; the
13 Head Start program; MaineCare coverage for parents and caretakers of eligible children
14 at 133% of the federal poverty level; and support for family reunification. The
15 amendment provides funding for the restoration of services through the establishment of a
16 tax equalization payment imposed on persons whose state and local tax burden is in the
17 top 1% of all taxpayers.

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**

20 SPONSORED BY: _____

21 (Representative KUMIEGA)

22 TOWN: Deer Isle