

Date: (Filing No. S- )

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STATE OF MAINE
SENATE
125TH LEGISLATURE
SECOND REGULAR SESSION

SENATE 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 Part HH and inserting the following:

PART HH

Sec. HH-1. 36 MRSA §5117 is enacted to read:

§5117. Tax equalization

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

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

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

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

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

2. Partial tax equalization rate. By September 15, 2012 and annually thereafter, the State Tax Assessor shall calculate the tax equalization gap. The partial tax equalization rate is the lesser of the tax equalization gap and the rate specified in this subsection and may not be less than zero. The partial tax equalization rate specified in

1 this subsection applies to the tax years that begin during the calendar year during which  
 2 the rate is calculated. For tax years beginning on or after January 1, 2012, the partial tax  
 3 equalization rate is .082%.

4 **3. Tax equalization payment amount.** The tax equalization payment amount under  
 5 this section for any taxable year is equal to the partial tax equalization rate for that taxable  
 6 year determined in accordance with subsection 2 multiplied by the expanded income of  
 7 the taxpayer for the taxable year. For the purposes of this subsection, the expanded  
 8 income of the taxpayer is the total expanded income for the income tax filing unit  
 9 regardless of income tax filing status.

10 **4. Payment; enforcement.** The State Tax Assessor shall provide for the reporting  
 11 and payment of the tax equalization payment on individual income tax forms. The tax  
 12 equalization payment is not income tax for the purposes of this Part. The provisions of  
 13 this Title applying to the collection and enforcement of income taxes apply to the  
 14 collection and enforcement of the tax equalization payment except that an obligation to  
 15 pay estimated taxes under section 5228 does not apply with regard to the tax equalization  
 16 payment. Income tax credits available under chapter 822 do not apply with regard to the  
 17 tax equalization payment.

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

20 **PART II**

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

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

24 **Mental Health Services - Community 0121**

25 Initiative: Provides funds to offset a 6% reduction in mobile outreach crisis contracts in  
 26 Part A of this Act.

27	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
28	All Other	\$0	\$277,500
29			
30	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$277,500</b>

31	<b>HEALTH AND HUMAN SERVICES,</b>		
32	<b>DEPARTMENT OF (FORMERLY BDS)</b>		
33	<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
34			
35	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$277,500</b>
36			
37	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$277,500</b>

1 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

2 **FHM - Drugs for the Elderly and Disabled Z015**

3 Initiative: Restores funding for the Medicare savings program.

4	<b>FUND FOR A HEALTHY MAINE</b>	<b>2011-12</b>	<b>2012-13</b>
5	All Other	\$0	\$1,219,908
6			
7	<b>FUND FOR A HEALTHY MAINE TOTAL</b>	<b>\$0</b>	<b>\$1,219,908</b>

8 **FHM - Medical Care 0960**

9 Initiative: Notwithstanding any other provision of law, adjusts funding by increasing  
 10 funding in the Medical Care - Payments to Providers program and decreasing funding in  
 11 the FHM - Medical Care program to reflect a redistribution of funding within the Fund  
 12 for a Healthy Maine.

13	<b>FUND FOR A HEALTHY MAINE</b>	<b>2011-12</b>	<b>2012-13</b>
14	All Other	\$0	(\$1,219,908)
15			
16	<b>FUND FOR A HEALTHY MAINE TOTAL</b>	<b>\$0</b>	<b>(\$1,219,908)</b>

17 **Low-cost Drugs To Maine's Elderly 0202**

18 Initiative: Restores funding for the Low-cost Drugs To Maine's Elderly program.

19	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
20	All Other	\$0	\$112,154
21			
22	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$112,154</b>

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

24 Initiative: Provides funds to offset a reduction from savings from utilizing a crisis  
 25 assessment in emergency departments and savings from initiatives related to institutes for  
 26 mental disease and psychiatric units in private hospitals in Part A of this Act.

27	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
28	All Other	\$0	\$397,500
29			
30	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$397,500</b>

1	<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
2	All Other	\$0	\$684,722
3			
4	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$684,722</u>

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

6 Initiative: Provides funds to offset the elimination of ambulatory surgical center services  
7 as an optional service in the MaineCare program in Part A of this Act.

8	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
9	All Other	\$0	\$77,697
10			
11	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$77,697</u>

12	<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
13	All Other	\$0	\$133,839
14			
15	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$133,839</u>

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

17 Initiative: Provides funds to offset the elimination of sexually transmitted disease  
18 screening clinic services as an optional service in the MaineCare program in Part A of  
19 this Act.

20	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
21	All Other	\$0	\$163,463
22			
23	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$163,463</u>

24	<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
25	All Other	\$0	\$181,178
26			
27	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$181,178</u>

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

29 Initiative: Provides funds to offset the elimination of reimbursement for smoking  
30 cessation products in Part A of this Act.

1	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
2	All Other	\$0	\$179,095
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$179,095</u>

5	<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
6	All Other	\$0	\$308,504
7			
8	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$308,504</u>

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

10 Initiative: Restores funding for MaineCare hospital crossover payments as a result of  
 11 restoring reductions to the Medicare savings program.

12	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
13	All Other	\$0	\$1,663,554
14			
15	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,663,554</u>

16	<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
17	All Other	\$0	\$2,865,588
18			
19	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$2,865,588</u>

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

21 Initiative: Notwithstanding any other provision of law, adjusts funding by increasing  
 22 funding in the Medical Care - Payments to Providers program and decreasing funding in  
 23 the FHM - Medical Care program to reflect a redistribution of funding within the Fund  
 24 for a Healthy Maine.

25	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
26	All Other	\$0	\$1,219,908
27			
28	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,219,908</u>

29	<b>HEALTH AND HUMAN SERVICES,</b>		
30	<b>DEPARTMENT OF (FORMERLY DHS)</b>		
31	<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
32			

1	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$3,813,371</b>
2	<b>FEDERAL EXPENDITURES FUND</b>	<b>\$0</b>	<b>\$4,173,831</b>
3	<b>FUND FOR A HEALTHY MAINE</b>	<b>\$0</b>	<b>\$0</b>
4			
5	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$7,987,202</b>

6	<b>SECTION TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
7			
8	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$4,090,871</b>
9	<b>FEDERAL EXPENDITURES FUND</b>	<b>\$0</b>	<b>\$4,173,831</b>
10	<b>FUND FOR A HEALTHY MAINE</b>	<b>\$0</b>	<b>\$0</b>
11			
12	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$8,264,702</b>
13			

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

16 **SUMMARY**

17 This amendment restores funding for adult and elderly health services and for mental  
 18 health services and provides funding for the restoration of services through the  
 19 establishment of a tax equalization payment on persons whose state and local tax burden  
 20 is among the top 1% of all taxpayers.

21 **FISCAL NOTE REQUIRED**

22 (See attached)

23 SPONSORED BY: \_\_\_\_\_

24 (Senator BRANNIGAN)

25 COUNTY: Cumberland